



MEMORANDUM

TO: Mayor and City Council

FROM: Veronica Briseño 
Chief Economic Recovery Officer

DATE: November 3, 2020

SUBJECT: Redevelopment of former Health South property (1215 Red River and 606 East 12th Street)

This memorandum provides an update on the City's Request for Proposals for the redevelopment of the City-owned parcels at 1215 Red River and its accompanying parking garage at 606 East 12th (RFP 5500 SWM 3002). Through [Resolution 20181004-042](#), City Council directed staff to seek proposals from the real estate development community to create a catalyst mixed-use project for northeast downtown that incorporates housing for residents earning at or below 60 percent of area median family income and also improves the City's financial position.

The City's Purchasing Office with Economic Development Department (EDD) as lead department issued RFP 5500 SWM 3002 on November 18, 2019. A pre-submission conference and site tour was conducted on January 14, 2020. The pre-submission conference held at the Central Library was livestreamed by ATXN. Due to the outbreak of the corona virus pandemic, staff extended the deadline for proposals to April 23, from March 26, 2020. Four proposals were received and evaluated based on the following factors outlined in the RFP: (1) project concept and strategy; (2) affordable housing and other community benefits; (3) financial proposal; and (4) the team's experience and management plan. Following an initial ranking based on the written proposals, interviews were conducted with the highest scoring teams. The proposals were reviewed and evaluated by a City executive staff panel from multiple disciplines.

The Purchasing Office will release the final ranking no later than November 6, 2020 and EDD will bring a recommendation to City Council on December 3, 2020 to enter exclusive negotiations with the team with the highest score. Accordingly, If accepted by Council, the successful proposer and City staff will negotiate, in good faith, terms for the parties to move forward and will clarify respective roles and responsibilities including pre-development activities and budgets, as well as key terms and conditions of the sale or ground lease of the property and related development and financial considerations. Certain City requirements regarding construction projects, such as the minority-owned and women-owned business enterprise procurement program, demolition of commercial buildings, and Third-Party Agreement standards, such as prevailing wage, worker safety and training, Better Builder and sustainability, will apply.

Please note that in August of this year, Austin Resource Recovery began using the former Health South parking garage temporarily as part of its Violet KeepSafe Storage program that provides storage for people experiencing homelessness. This program will be relocated when control of the site is transferred to the successful proposer.

The City's Anti-Lobbying Ordinance applies to this process until the City and selected proposer execute an Exclusive Negotiation Agreement (ENA). Please continue to refer all correspondence and questions regarding this item to Shawn Willett, Deputy Purchasing Officer (shawn.willett@austintexas.gov).

XC:

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