

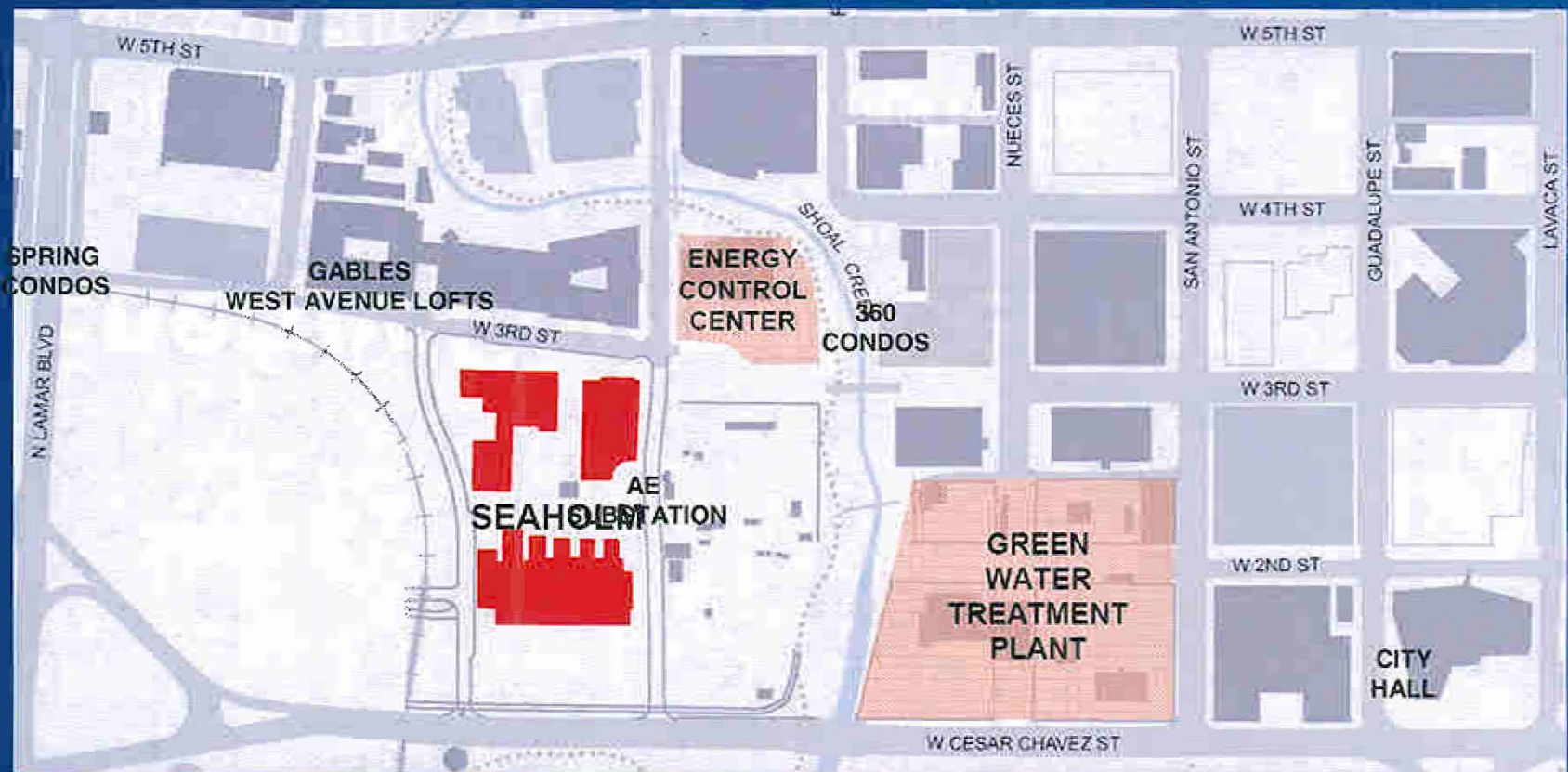
Energy Control Center

Proposed Master Development
Agreement Terms and Conditions

May 13, 2010



ECC Site Overview



Development Recap

- February 2008 – Bid matrix approved by Council
- March 2008 – RFP issued for ECC & Green Water Treatment Plant (GWTP)
 - Treated ECC and GWTP as separate parcels
 - Encouraged development continuity between ECC and GWTP
 - Sale proceeds bifurcated between Austin Energy (AE) and COA
- June 2008 – Based on results from a bid matrix, Council selected development team of TC Austin Development, Inc., Constructive Ventures and USAA as the preferred developer
- August 2008 – COA and Trammell Crow execute Exclusive Negotiating Agreement
- August 2008 to Current – Negotiation of ECC Master Development Agreement

RFP Mandatory ECC Deal Elements

- Minimum purchase price - \$14.5M
- Compliance with Downtown Design Guidelines and Great Streets
- Greenbuilding (2 star)
- M/WBE Compliance Program
- Affordable Housing Minimums of 10% housing for people at 80% of area median income (if rental)
- Maximize development potential
- Maximize ground floor retail

ECC MDA Business Terms

- Direct One-Phase Sale with minimal ongoing Developer interaction
- \$14.5M (proceeds to AE)
- \$1M infrastructure payment at completion
- \$1,000/day liquidated damages if construction stops for 30+ days
- Post Closing Developer payments secured by a second lien deed of trust on ECC
- No TIF obligation and no guaranteed minimum developer return

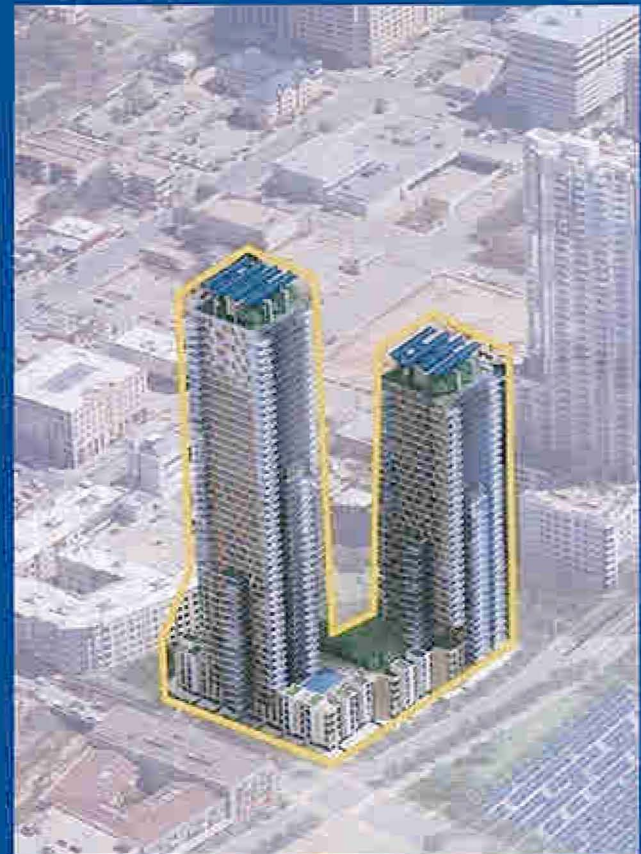


ECC MDA Closing Timeframes

- March 2012 – AE vacates ECC
- March 2013 – All COA remediation work complete and Voluntary Cleanup Plan Certificate (VCP) issued
- Closing 30 days following VCP, but Developer can delay if:
 - High downtown condo vacancy
 - Lack of financing market
 - Chilled water MOU not final
- Outside closing date – 24 months following VCP certificate
- Extend outside closing date for 12 months with \$350K payment

ECC MDA Development Terms

- Existing COA ordinances “locked-in” for shell construction, other than safety, signage and federal or state mandated changes
- COA has site plan, exterior façade, and landscape plan approval (similar to Block 21)
- Anticipated Development: 425 condos and 15,000 sq. feet of retail (can decrease by 15% w/o COA approval)
- Anticipated Development Cost \$218M



ECC MDA Community Benefits

- M/WBE Participation Goals and Monthly Reporting
- 25% Retail M/WBE Businesses
- 100% Retail Local Businesses
- Developer to pay COA Prevailing Wage
- \$250K Arts in Public Places match
- \$2.7M affordable housing fund payment
- \$100K art/wall on AE substation site
- LEED Gold
- Extension of Shoal Creek Hike and Bike Trail

ECC MDA Financial Payments Summary

\$14.5M land purchase price

\$1.0M infrastructure payment

\$2.7M affordable housing

\$100K art wall

\$250K AIPP match

\$18.55M total

Summary

- MDA meets the RFP requirements
- City maintains approvals for site, exterior facade, and landscape plans
- Significant community benefits derived through the MDA
- Sale of property brings forth substantial financial payments to the City