



Recommendation for Action

File #: 20-3082, **Agenda Item #:** 95.

9/17/2020

Posting Language

Authorize negotiation and execution of an exclusive negotiating agreement with all necessary parties for acquisition of a real estate interest and improvements located on all or part of Block 16 of the Original City of Austin, Travis County, Texas, according to the plat on file at the General Land Office of the State of Texas, and Block 32 of the Original City of Austin, Travis County, Texas, according to the Plat on file at the General Land Office of the State of Texas, and earnest money in an amount not to exceed \$6,300,000.

Lead Department

Office of Real Estate Services.

Fiscal Note

Funding in the amount of \$6,300,000 is available in the 2020-2021 Approved Convention Center Expansion Capital Fund of the Austin Convention Center Department.

For More Information:

Alex Gale, Office of Real Estate Services, (512)974-1416; Trisha Tatro, Austin Convention Center Department, (512)404-4218; Megan Herron, Office of Real Estate Services, (512)974-5649.

Additional Backup Information:

In May 2015, the Austin Convention Center Department (ACCD) published a Long Range Master Plan from Gensler Architects that called for the expansion of the Convention Center in order to reimagine the Center within the fabric of downtown and to allow ACCD to remain competitive in the convention market. The Long-Range Master Plan concluded westward expansion was the only viable option to incorporate the needed space and to activate the streetscape on the existing Convention Center blocks. The Urban Land Institute reaffirmed the Master Plan's conclusion regarding westward expansion in the Spring of 2015. The Council-appointed Visitor Impact Task Force recommended expansion to the west in June 2017 and a study commissioned by Council by the Center for Sustainable Development at the University of Texas (UT Study) concluded that westward expansion was the only realistic option for expansion.

Council Resolution 20190523-029 stated Council's desire to re-envision the Convention Center as an active, community-oriented civic building that enhances the culturally rich fabric of the Palm District and directed the City Manager to recommend an initial design for the Convention Center that followed the UT Study recommendation of a western expansion. ACCD then commissioned an update to the Long-Range Master Plan, as well as an economic impact and market viability study. These reports concluded that the Convention Center should be expanded to include up to 450,000 square feet of exhibition space, up to 140,000 square feet of meeting space and up to 120,000 square feet of ballroom space. The current Center has 247,000 square feet of exhibition space, 65,000 square feet of meeting space and 64,000 square feet of ballroom space. This Request for Council Action is the result of these directives.

This action is the first of a two-step approval process. The exclusive negotiating agreement (ENA) will allow the City, the landowners and developers establish more detailed specifications, including guaranteed maximum pricing for the acquisition and development of westward expansion of the Convention Center space. The transaction will include an estimated 750,000 square feet of convention space and related amenities. The

second step of this process is anticipated for the Summer of 2021, with a real estate purchase and sale agreement with accompanying documents.

Once the expansion space is completed to the west, the Convention Center plans to work towards potential redevelopment of the current Convention Center space.

There are separate items related to this action being brought by the Convention Center for a consultant for work related professional services for technical advising; by the Law Department for legal expenses and outside counsel; and by the Office of Real Estate for a consultant to provide services for the negotiation of the agreements moving forward.

Strategic Outcome(s):

Economic Opportunity and Affordability.