



# Interlocal Agreement

Austin Economic Development Corporation

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June 8, 2021

# Council Direction Leading to AEDC Creation

# Council investigated the creation of an EDC since 2014

A series of resolutions identified the need to first investigate and then create a real estate focused entity that could assist with inclusive growth outcomes and the preservation of existing cultural spaces as well as the development of new affordable spaces.

- 20141211-122: Directed the CM to explore the feasibility of an EDC
- 20160303-019: Music & Creative Ecosystem Omnibus
  - Included the coordination of the preservation and creation of affordable cultural and music space by a specialty entity that could also negotiate in public/private projects and be integrated into public projects.
- 20170216-040: Directing the CM to bring forward proposals for the EDC
- 20180215-082: Use an EDC to create a Cultural Trust
  - Directed using the Cultural Asset Mapping Project (CAMP) as a guide for broad inclusion
  - Cultural Trust to be integrated into an EDC
  - Investigation of code revisions, retail incentives and other real estate mechanisms to assist as needed

# In August 2020, Council Directed Staff to Initiate Creation of EDC

”to complement the City's vision and programming for inclusive economic development through the formation of public-private partnerships and facilitation of resulting projects that generate additional resources or revenues for the City”....

## Austin City Council Resolution 20190808-072:

- City Council directs the City Manager to initiate the necessary processes to authorize the Creation of an economic development entity, identify potential funding sources, solicit stakeholder feedback on the entity's governance and operational structure, and, if necessary, contract with a subject matter expert to develop an implementation plan.
- City Council directs the City Manager to structure the entity broadly enough to **manage a range of projects**, which could include affordable housing development, public-private Partnerships with private-led development such as the **South Central Waterfront** that could provide community benefits, and shall include a **Cultural Trust** to support acquisition and preservation of creative space.
- City Council directs the City Manager to bring forward a recommendation for funding needs to implement this direction for consideration during the Fiscal Year 2020 budget deliberations.

# EDD spent 2020-2021 exploring how to best follow Council direction

EDD contracted with QBL Real Estate in November of 2020 to pursue four work streams...





# Conclusions of Interviews and Research

- **A “Family” of organizations is most able to fulfill all Council purposes with appropriate oversight for critical decisions.**
  - A new AEDC combined with existing AIDC and contracted with EDD management
- **Critical governance decisions should be city-controlled**
  - Financing and bonding should be approved by City (as part of AIDC)
  - Board should be mixed (public employees and private citizens) appointed by Council
  - Annual budget, contract and projects approved by Council
- **To insure long-term sustainability, the AEDC should focus on real estate, revenue bond projects and contracts for services on behalf of the City**
- **Coordinate Inclusive Growth amongst departments and organizations, including projects such as:**
  - Cultural Trust
  - International investment fund
  - South Central Waterfront
  - Utilize upcoming transit investments as a nexus for creating affordability and cultural programs
  - Support for real estate transactions and infrastructure projects of the City
  - Promote and support affordable housing, workforce housing, homelessness, affordable commercial space, workforce development, MWBE, and equitable financial programs.
  - Provide immediate staff support on other priority projects, in particular negotiations, as directed by Council and staff.

# Subsequent Council legislation during the formation process

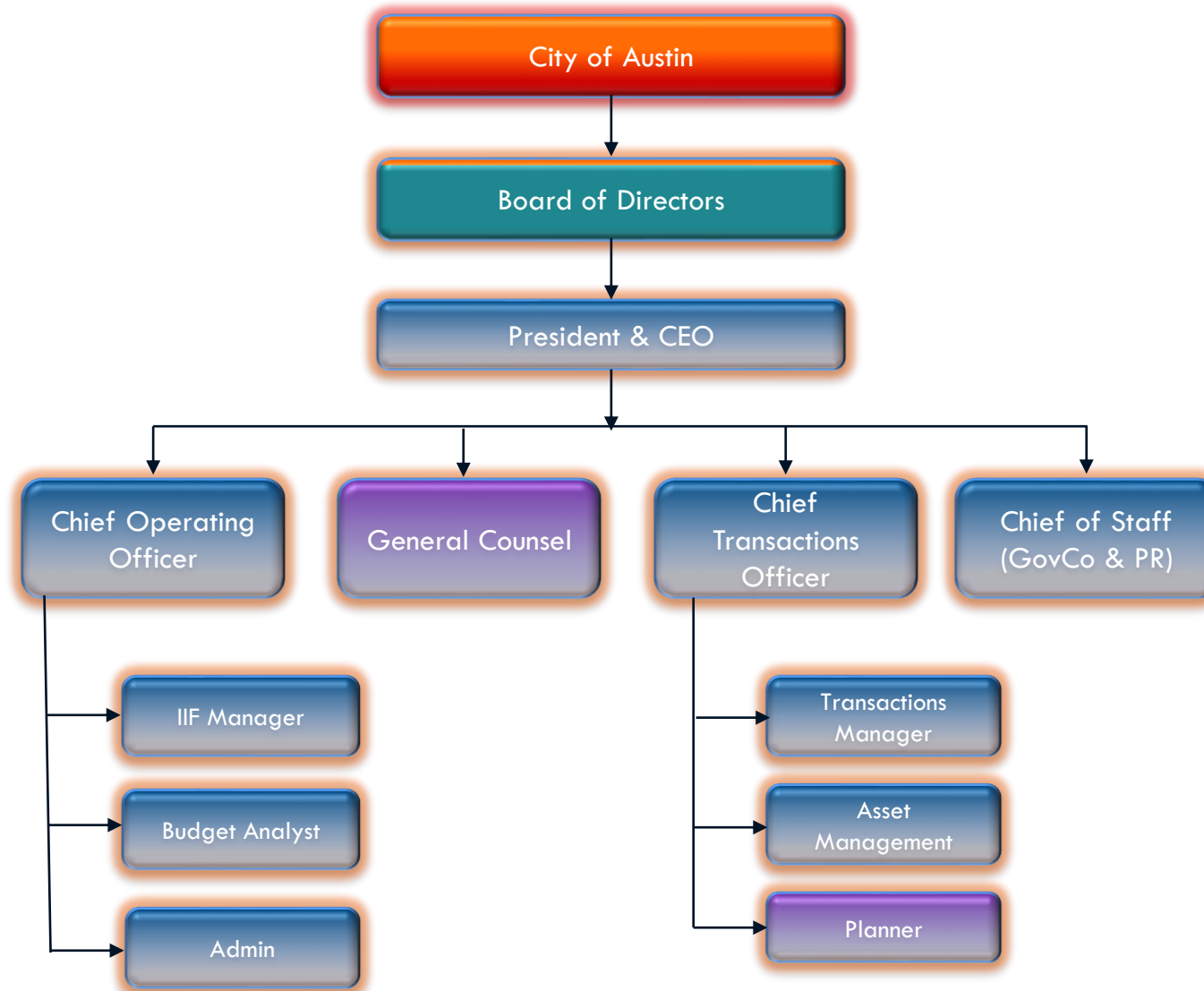
A series of resolutions further clarified Council's direction as to the nature and purpose of the AEDC.

- 20200326-091: Explore expanding uses of existing resources to assist COVID-impacted organizations
- 20200521-095: Accelerate the creation of AEDC to assist live music.
  - Directing the exploration of the use of city-owned property as well as a public pipeline of assets.
- 20200521-096: Accelerate the AEDC with a focus on assisting Red River District and exploring the use of TDR programs and regulatory changes to support music venues.
- 20201001-055: Creation of the AEDC
- 20201203-046: Repurposing HOT funds to create the Iconic Venue Fund and assigning up to \$15M to AEDC to manage as a part of the Cultural Trust. Directing the expansion of the authorized use of those funds to cover “Iconic” music venues, cultural spaces, restaurants and businesses through an interpretation of an expansion of the visitor information center, as authorized by the State of Texas.

# Start-Up of AEDC | Governance Development



# Organizational Chart: 3-Year Stabilized View



# Board Development and Onboarding

**March 25 | Council Action for Board nominations.**



**April 12 | Orientation and First AEDC full Board meeting.**



**May | Deep Dives and Committee Development**

Subject Matter for Board Seat	Nominating Body	Focus	Term
Director, Economic Development Department	Standing	Public/Private	On-going
Director, City Neighborhood Housing & Planning Department	Standing	Housing	On-going
Chief Equity Officer, City of Austin	Standing	Equity	On-going
City Chief Financial Officer	Standing	Finance	On-going
City of Austin Arts Commission	Standing	Arts	2022 Renewal
City of Austin Music Commission	Standing	Music	2022 Renewal
City of Austin Historic Preservation	Standing	Preservation	2022 Renewal
Board, local Continuum of Care organization	Austin ECHO	Homelessness	2022 Renewal
Board, Downtown development	Downtown Austin Alliance	Downtown	2022 Renewal
Board, Ethnic or Multi-Ethnic Chamber of Commerce	MECA	MWBE Business	2023 Renewal
Board, local area chamber of commerce	Greater Austin Chamber of Commerce	Industry	2023 Renewal
Board, local area urban land use and planning organization	Urban Land Institute Austin	Urban/Regional Planning	2023 Renewal
Board, local real estate and construction planning organization	Real Estate Council of Austin	Real Estate Development/Construction	2023 Renewal
Board, local area transportation planning organization	Cap Metro	Infrastructure/Transportation	2023 Renewal
Board, local workforce development board	Workforce Solutions: Cap Area	Workforce Development	2024 Renewal
Board, local community college	Austin Community College	Vocational and Workforce Education	2024 Renewal
Representative of a local university of higher education	University of Texas	Higher Education	2024 Renewal
Board, local independent school district	Austin Independent School District	K-12 Education	2024 Renewal
Board, local senior services organization	AustinUp	Senior Services	2024 Renewal
Board, local early childhood education organization	United Way	Early Childcare/Child Education	2024 Renewal
President/CEO	Standing	Ex-Officio Officer	On-going

# AEDC Board



# Transition of Governance

Executive Committee	
President	Rosie Truelove, COA Housing and Planning
Vice President	Xavier Pena, Downtown Austin Alliance
Secretary	Sylnovia Holt-Rabb, COA Economic Development
Treasurer	Ed Van Eenoo, COA Finance Office
	David Steinwedell, Urban Land Institute
	Kellee Coleman, COA Equity Office
	Sharmila Mukherjee, CapMetro



Transition Milestones	
Recruit CEO	Start July 2021
CEO Seated	October 2021
1 <sup>st</sup> Term Board Renewal	Start November 2021
Annual Report to COA	February 2022
New Board Orientation	March 2022
Transition of Executive Committee	April 2022

# Start-Up of AEDC | Interlocal and Priority Project Development



# Interlocal Agreement

## Scope of Services (Sec. 6.2)

- Real estate transactional services: brokerage and transactional services, acquisition and leasing, land valuation and best use analyses, marketing and solicitation services.
- Real estate management and administration: property management, lease management, operation and maintenance
- Public development services: planning, promotion, negotiation, financing, and development of public development projects as identified from time to time by the parties.
- Additional services: consulting, technical advisory or other professional services; administration of economic development or grant programs.

# Interlocal Agreement

## Authorized Projects and Services

**Management and administration of the Austin Industrial Development Corporation (AIDC)**

**Development of a public and private pipelines for development projects and land utilization**

### **South Central Waterfront District Project – Addendum No. 1**

- TIRZ establishment and administration
- SCW regulating plan
- Implementation of Vision Framework Plan

### **Cultural Trust – Addendum No. 2 and No. 3**

- Identification of Creative and Cultural Facilities
- Acquisition and funding of Creative and Cultural Facilities
- Utilization of Hotel Occupancy Tax funds (initially \$2.4 million, total anticipated funding of \$15 million)
- Assist City with procurement of Creative and Cultural Facilities for \$12m Creative Facilities Bond (Addendum No. 3)



# Interlocal Agreement

## Annual Administration

**Funding from City is subject to annual appropriation, with anticipated funding from:**

- Transfer of EDD Funds (\$700,000 annually for FY 2021, 2022, and 2023)
- AIDC FY 2021 balance
- Creative Space Bond
- Iconic Venue Fund

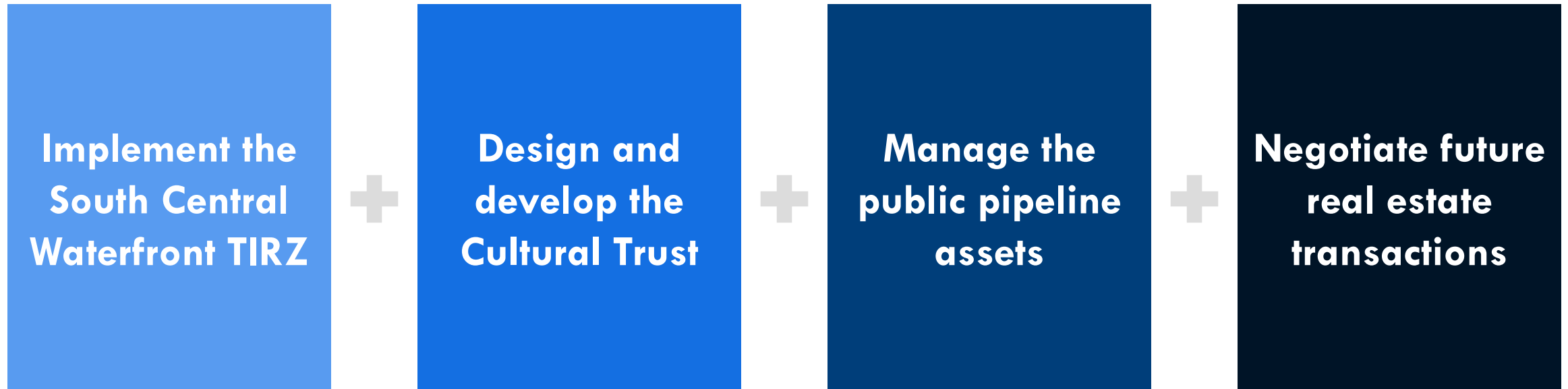
**AEDC will deliver a proposed budget for each fiscal year to the City Manager by Feb. 15**

**Each year, the President of AEDC will make an annual report to City Council, including the following:**

- Summary and status of previously approved Projects
- Budget summary (as approved by the City Manager)
- Summary of real estate transactions and real estate management services from the prior year
- An inclusive growth report summarizing AEDC's achievement of the Principal Objectives
- Proposals for new Projects or Services for the next fiscal year

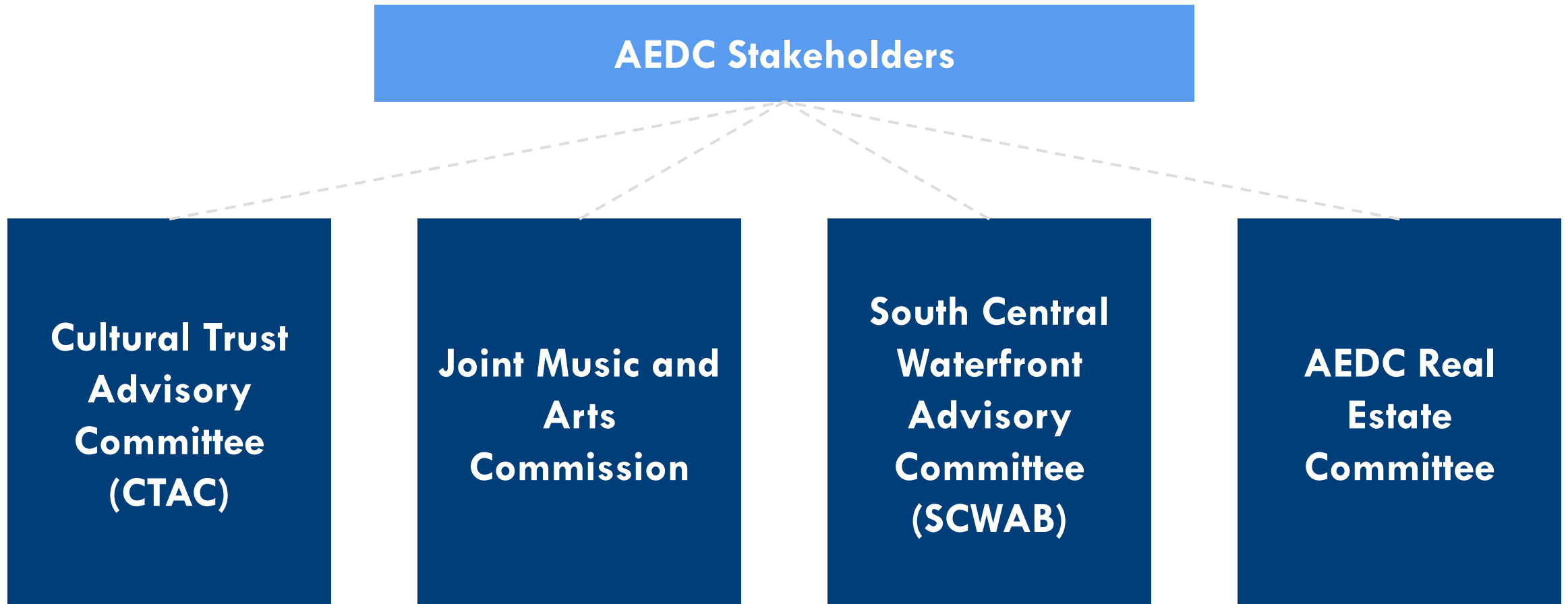
# AEDC Focus and Roles

**AEDC is working with the City of Austin to support several future objectives.**



# AEDC Next Steps: Engagement

**AEDC will transition from general stakeholder meetings to targeted committees and public discussions:**



Questions?