



## Recommendation for Action

**File #:** 21-1273, **Agenda Item #:** 7.

9/2/2021

### Posting Language

Authorize negotiation and execution of an interlocal agreement with Travis County Healthcare District d/b/a Central Health to reimburse Central Health for services related to long-term lease space analysis for a future potential lease agreement in Central Health's proposed future development of a Health and Wellness Center on a property located in the City-owned Colony Park Sustainable Community in an amount not to exceed \$75,000. Related to items 11, 12, and 17.

### Lead Department

Economic Development.

### Fiscal Note

Funding in the amount of \$37,500 is available in the Fiscal Year 2020-2021 Austin Public Library operating budget, and funding in the amount of \$37,500 is available in the Fiscal Year 2020-2021 Austin Public Health operating budget.

### Prior Council Action:

**February 6, 2020** - Council approved Item No. 20200206-007, authorizing negotiation and execution of an interlocal agreement with Travis County Healthcare District dba Central Health to reimburse the City for real estate due diligence services provided by Economic and Planning Systems to evaluate the suitability of a Health and Wellness Campus within the 208-acre Colony Park Sustainable Community. Council Sponsors: Economic Opportunity and Affordability, Health and Environment. (Notes: Approved on consent on Council Member Pool's motion, Council Member Alter's second on an 11-0 vote.)

**August 22, 2019** - Council approved Item No. 20190822-019, authorizing negotiation of an interlocal agreement with Travis County Healthcare District dba Central Health to reimburse the City to purchase real estate due diligence services provided by Economic and Planning Systems to evaluate the suitability of a Health and Wellness Campus within the 208-acre Colony Park Sustainable Community. (Notes: Approved on consent on Council Member Harper-Madison's motion, Council Member Alter's second on an 11-0 vote.)

**October 18, 2018** - Council approved Item No. 20181018-030, authorizing negotiation and execution of an Exclusive Negotiation Agreement (ENA) with Catellus Development Corporation for terms governing a Master Developer Agreement (MDA) for the development of Colony Park Sustainable Community. (Notes: Approved on consent on a 10-0 vote. Council Member Pool was absent.)

**December 11, 2014** - Council approved Ordinance No. 20141211-150 amending City Code Chapter 25-2 by rezoning the 208-acre Colony Park site from single family residence-standard lot (SF-2) district zoning, family residence (SF-3) district zoning, and multi-family residence low density (MF-2) district zoning to planned unit development (PUD) district zoning. (Notes: Approved on consent on Council Member Morrison's motion, Council Member Spelman's second on a 7-0 vote.)

### For More Information:

Sylvia Holt-Rabb, Acting Director, Economic Development Department, 512-974-3131 and

Martin Barrera, Redevelopment Project Manager, 512-974-3394.

**Additional Backup Information:**

The opportunity to develop a Health and Wellness Center was included in the Colony Park Sustainable Community (Colony Park) Request for Qualifications (RFQS) and Request for Proposal (RFP) and represents an opportunity to meet a critical need identified by the community that further aligns the development at the 208-acre Colony Park site with the City's Strategic Outcomes of Economic Opportunity & Affordability, and Health & Environment.

As stipulated in the Colony Park RFQS/RFP, the City reserved the right to negotiate with Central Health, in conjunction with or independently from the proposed master developer, regarding a sale of up to 5 acres of land within the 208- acre Colony Park site for the development of a Health and Wellness Center to serve the immediate and critical needs of the Northeast Austin and Northeast Travis County communities.

As an outcome of the work executed through the 2019 and 2020 Interlocal Agreements, Central Health has chosen to purchase 2.28 acres to construct a Health and Wellness Center per the terms of a Purchase and Sale Agreement (ITEM 17). The construction of this center affords an opportunity to meet critical unmet community needs, including the opportunity to partner on the design and construction of a City library and expanded City public health services.

This Council item of an interlocal agreement would enable the City and Central Health to explore such a partnership and terms of a partnership with the City of Austin to locate within that center an Austin Public Library and Austin Public Health Department services.

Coordinating with Central Health's due diligence related to the potential development, the City will reimburse Central Health up to \$75,000 to analyze the potential for a long-term City lease site located on the developed property. The anticipated deliverables include services to provide facility planning alternatives that will inform a recommended site concept plan, site analysis, site planning, master plan integration, site and utility infrastructure engineering, estimates of site and infrastructure investments, and economic analysis to establish the business terms for a proposed long-term real estate lease transaction.

Central Health's Health & Wellness Center is planned to staff three to four medical providers, two dental providers, implement an integrated mental health care program, establish a Class A pharmacy, and if feasible following preliminary design and cost estimating, may include lease space for Austin Public Health and Austin Public Library. The proposed City lease spaces would fulfill public health needs in the area as well as deliver a public library to a city neighborhood east of highway 183 for the first time in Austin's history.

The resulting terms and conditions for any lease transactions will be brought to City Council for authorization in a future request for council action.

**Strategic Outcome(s):**

Economic Opportunity and Affordability, Health and Environment, Cultural and Lifelong Learning.