



## Recommendation for Action

**File #:** 21-2862, **Agenda Item #:** 12.

9/2/2021

### Posting Language

Authorize negotiation and execution of a development agreement with CDC Colony Park Holdings, L.P. d/b/a Catellus Development Corporation to provide subdivision, platting, and entitlement services for an approximately 2.28-acre parcel of land and design, engineering and construction services for public street and utility infrastructure within the approximately 208-acre City-owned land known as "Colony Park Sustainable Community" in an amount not to exceed \$3,050,000. Related to items 7, 11, and 17.

### Lead Department

Economic Development.

### Fiscal Note

Funding in the amount of \$955,000 is available per the terms of an Interlocal Cooperation Agreement with Central Health. Funding in the amount of \$610,000 is available in FY 2022 Capital Budget through the net proceeds from the sale of 2.23 acres of land per a Purchase and Sale Agreement with Central Health. Funding in the amount of \$1,500,000 is available from the U.S. Department of Treasury, American Rescue Plan Act.

### Prior Council Action:

**October 29, 2020** - Council authorized Item No. 20201029-008, authorizing negotiation and execution of an amendment to the Exclusive Negotiating Agreement with Catellus Development Corporation, dba CDC Colony Park Holdings, L.P (Catellus) for additional reimbursement and additional predevelopment services related to the development of the Colony Park Master Development Agreement in an amount not to exceed \$400,000, for a total amount not to exceed \$700,000. (Notes: Approved on consent on an 10-0 vote.)

**February 6, 2020** - Council approved Item No. 20200206-007, authorizing negotiation and execution of an interlocal agreement (ILA) 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** - City approval of Item No. 20190822-022, authorizing reimbursement of certain costs as part of the exclusive negotiation agreement for planning, engineering, economic, and due diligence services related to the Colony Park Master Development Agreement, in an amount not to exceed \$300,000, contingent on certain factors. (Notes: Approved on consent on an 11-0 vote.)

**August 22, 2019** - Council approved Item No. 20190822-019, authorizing negotiation of an ILA 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

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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:**

Sylnovia Holt-Rabb, Acting Director, Economic Development Department, 512-974-3131 and Martin Barrera, Redevelopment Project Manager, 512-974-3394.

**Council Committee, Boards and Commission Action:**

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**Additional Backup Information:**

With the adoption of the Colony Park Master Plan and Planned Unit Development zoning district in 2014, on October 23, 2017, the City issued a Request for Qualifications (RFQS)/Request for Proposal (RFP) process to secure a master developer partner to implement the Colony Park master plan. Through that solicitation process, Catellus was selected as the City's preferred development partner for Colony Park and entered an Exclusive Negotiation Agreement (ENA) with the City.

As stipulated in the October 23, 2017 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 five 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 by providing health, library, and childcare services. As an outcome of the work executed through the 2019 and 2020 ILAs, Central Health seeks to purchase approximately 2.28 acres of land within the Colony Park Sustainable Community to construct the Health and Wellness Center under the terms of a Purchase and Sale Agreement (PSA) (ITEM 17).

To ensure the infrastructure delivery for the tract of land to be purchased by Central Health plus surrounding roadway and other ancillary infrastructure is fully coordinated and integrated with the implementation plan for the Colony Park Sustainable Community, staff recommends the engagement of Catellus to construct the infrastructure through a development agreement. Below is a description of the deliverables the City seeks Catellus to deliver through this Development Agreement:

- **Subdivision, Final Plat, PUD zoning amendments:** Catellus shall endeavor to subdivide the City's land to establish the 2.28-acre tract as a legal parcel and use commercially reasonable efforts to ensure the parcel is properly zoned for land uses consistent with the needs of the proposed development and to amend the regulations of the Colony Park.
- **Infrastructure Design:** Catellus shall endeavor to complete the infrastructure design for the project within 12 months of the execution of this agreement.
- **Commence Construction of Infrastructure:** Catellus shall endeavor to commence construction of the infrastructure within three months following the City's issuance of an infrastructure permit.

The cost of carrying out the scope of work is an amount not to exceed \$3,050,000, funded through three sources. The \$610,000 sales price for the land to be purchased by Central Health in addition to the amount of \$955,000 available per the terms of an ILA with Central Health, and funding in the amount of \$1,500,000 available from the U.S. Department of Treasury, American Rescue Plan Act are expected to be sufficient to construct the required public street and utility infrastructure. To ensure performance, a payment and performance bond will be posted to ensure completion of the work should Catellus not be able to finish the obligations under the development agreement.

**Strategic Outcome(s):**

Economic Opportunity and Affordability, Health and Environment.