



## Recommendation for Action

**File #:** 21-3016, **Agenda Item #:** 5.

12/9/2021

### Posting Language

Authorize negotiation and execution of an amendment to the interlocal agreement with the Austin Economic Development Corporation, to provide assistance in engaging and supporting three development projects which include implementation of East 11th and 12th Streets Urban Renewal Plan Development Feasibility, I-35 Central Austin Connecting Equitable land value and future development analysis, and East 11th Street Parcel Disposition services related to the Urban Renewal Plan vision.

### Lead Department

Economic Development.

### Fiscal Note

This item has no fiscal impact.

### Prior Council Action:

Resolution No. 20141211-122 - directed City Manager to deliver a feasibility study and timeline for creating an economic development corporation or similar entity to manage economic development projects.

Resolution No. 20170216-040 - directed City Manager to propose an economic development corporation or similar entity to support the development of affordable housing, redevelopment, revitalization and other projects.

Resolution No. 20180215-082 - directed City Manager to propose steps for collaborating with and supporting Austin Cultural Trust to create spaces to support artists and arts organizations, preserve historic and iconic cultural buildings and spaces for creative and cultural uses and function in a way that provides for cultural assets to exist in all parts of the City.

Resolution No. 20190808-072 - directed City Manager to initiate the necessary processes to authorize the creation of an economic development entity, identify potential funding sources, solicit stakeholder feedback and, if necessary, contract with subject matter experts to develop an implementation plan.

November 14, 2019 - City Council approved, through agenda Item 98, the QBL Contract.

Resolution No. 20200521-095 - directed the City Manager to prepare and take appropriate action to ensure the long-term sustainability of Austin's creative culture, including its arts and music industries.

Resolution No. 202005-21-096 - directed the City Manager to take actions related to economic recovery and revitalization associated with the live music ecosystem, including in the Red River Cultural District.

Resolution No. 20201001-055 - approved the creation of the Austin Economic Development Corporation (AEDC), a Local Government Corporation under Subchapter D, Chapter 431, Texas Transportation Code; adopted the corporation's Articles of Incorporation and Bylaws; and appointed the initial Board of Directors.

Resolution No. 20201203-010 - Amended the Bylaws of the AEDC to include the approved nominating bodies

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of the Board of Directors.

June 10, 2021 - Approved negotiation and execution of an interlocal agreement with the Austin Economic Development Corporation to provide assistance in engaging and supporting development projects and leveraging the City's investments or assets to achieve inclusive economic and community development outcomes and priorities, in an amount not to exceed \$15,000,000.

**For More Information:**

Veronica Briseno, Interim Chief Executive Officer of the Austin Economic Development Corporation, 512-974-2156, or David A. Colligan, Acting Chief Operations Officer of the Austin Economic Development Corporation, 512-974-6381 and David.Colligan@austintexas.gov.

**Additional Backup Information:**

This action will amend an interlocal agreement with the Austin Economic Development Corporation (AEDC), to provide assistance in engaging and supporting three development projects which include Implementation of East 11th and 12th Streets Urban Renewal Plan Development Feasibility, I-35 Central Austin Connecting Equitable land value and future development analysis., and East 11<sup>th</sup> Street Parcel Disposition services related to the Urban Renewal Plan vision. The AEDC \$295,000 administration fee will be covered within the existing contract authority.

Through Resolution Nos. 20141211-122 and 20170216-040, the Austin City Council directed the City Manager to "deliver a feasibility study" and "bring forward...specific proposals" related to the creation of an economic development entity with the capacity to "create or support development of affordable housing, redevelopment, revitalization and other priority projects and goals of the City." Council provided additional direction to align the development of the economic development entity with the intent and creation of an "Austin Cultural Trust" through Resolution Nos. 20180215-082 and 20190808-072. In May of this year, Council further directed the City Manager to expedite a review of existing entities and resources that could be centralized to support the timely execution of recovery efforts that could secure or retain creative culture and community benefits in Resolution Nos. 20200521-095 and 20200521-096.

Through Resolution No. 20201001-055, Council created the AEDC under the provisions of Chapter 431 and the Texas Nonprofit Corporation Law, as defined by Section 1.008 of the Texas Business Organizations Code, for the purposes of aiding and assisting the City by engaging in socially beneficial real estate development, and economic development, including, for example: (i) development of the South Central Waterfront District; (ii) fostering, supporting and preserving of the City's creative communities, local creative talent, culture and cultural organizations, iconic small and minority-owned businesses and establishments, including the development of a Cultural Trust (as more fully described below); (iii) leveraging investments and assets of the City for economic development, affordable housing and job creation/retention among other community priorities; (iv) addressing affordability and equity issues impacting the City's residents, neighborhoods and small businesses; and (v) the promotion of job growth, business growth, increasing the tax base within the City of Austin, and the generation of resources for the City.

As discussed at the time of establishing the organization, AEDC will contract with the City to perform these tasks and return to Mayor and Council on an annual basis to review the terms of the agreement, scope of work and forthcoming budget, includes as back up to this RCA. If authorized by the City Council, the AEDC will provide assistance to the City in engaging and supporting development projects, including those priority projects outlined by Mayor and Council, and leverage investments or assets of the City to achieve inclusive economic and community development outcomes and priorities.

The East 11th Street and 12th Street Neighborhood Urban Renewal Project and related services the AEDC and the URA have recommended that the redevelopment of the Land be achieved through a long-term master

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lease, ground lease, or public-private partnership transaction to be agreed upon pursuant to a competitive solicitation process. This process is most likely to result in the highest and best use of the Land as modified by the Development Priorities and the priorities set forth in the UR Plan. The AEDC will charge a services fee in the amount of \$155,000, for the performance of public engagement, economic analysis, and planning feasibility. These funds will be reimbursed to the City at the conclusion of the transaction of the Blocks 16 & 18.

The City also desires to contract with the AEDC to identify and implement strategies to leverage I-35 Capital Express Central Austin Project and Cap & Stitch Project to support local communities impacted by the I-35 project and provide equitable development opportunities to benefit economically, socially and culturally from their completion. The AEDC will charge a services fee in the amount of \$140,000, funding the cost of the undertakings and services contemplated.

The City authorizes the AEDC to aid and act on behalf of the City by providing assistance and services with respect to the redevelopment of the Land, Block 16 and Block 18, be achieved through a long-term master lease, ground lease, or public-private partnership transaction to be agreed upon pursuant to a competitive solicitation process. This process is most likely to result in the highest and best use of the Land as modified by the Development Priorities and the priorities set forth in the UR Plan. The AEDC will charge a one-time transaction fee for services that will be determined mutually at the completion of the planning feasibility and paid to the AEDC at the conclusion of the transaction.

**Strategic Outcome(s):**

Economic Opportunity and Affordability.