



**Lease Agreement/Renewal
CITY OF AUSTIN
RECOMMENDATION FOR COUNCIL ACTION**

**AGENDA ITEM NO.: 7
AGENDA DATE: Thu 04/07/2005
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SUBJECT: Authorize negotiation and execution of an amendment to the Second Amended and Restated Lease Agreement with Greater Austin Performing Arts Center, Inc., d/b/a The Long Center on the new performing arts center known as The Long Center.

AMOUNT & SOURCE OF FUNDING: N/A

FISCAL NOTE: *There is no unanticipated fiscal impact. A fiscal note is not required.*

REQUESTING Convention Center **DIRECTOR'S**
DEPARTMENT: **AUTHORIZATION:** Robert Hodge

FOR MORE INFORMATION CONTACT: John Stephens, Chief Financial Officer; Bob Hodge, Director, Convention Center

PRIOR COUNCIL ACTION: January 13, 2005 - Council approved a second amendment to the lease agreement

BOARD AND COMMISSION ACTION: N/A

On January 13, 2005, the City Council approved a Second Amended and Restated Lease Agreement between the City and the Long Center for the ground lease of the site of the former Palmer Events Center.

That second amendment provided, among other things, that the Long Center would provide a feasibility report showing that the estimated costs to construct the center would not exceed the budgeted costs.

The Long Center now has their construction documents completed – at 100% - and has proposed that instead of engaging a consultant to review and approve the estimated costs, the City review construction bids that the Long Center would receive based on the 100% construction documents.

The Long Center intends to enter into a guaranteed maximum price construction contract. The City's review of the 100% construction documents, the contract amount agreed to by the successful proposer ("the contractor"), and the guaranteed maximum price contract form would provide stronger assurance that the center will be built within budget than would a feasibility report based on estimated costs.

The City will not grant permission for the Long Center to begin construction of the Additional Improvements (the new performing arts center) until it has reviewed these documents and determined that the contractor selected would construct them according to the plans for the guaranteed maximum price, which price would not exceed the construction budget.

This proposed action requests substituting the review of the bids and the contract for the feasibility report and would be the First Amendment to the Second Amended and Restated Lease.

The Long Center will still provide the City with a feasibility report on the operations and maintenance of the center once it has opened. The City expects to receive an initial draft of this report on April 5, 2005. The Long Center cannot likewise begin construction of the Additional Improvements until the City has accepted and approved the O & M feasibility report.



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