



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

**AGENDA ITEM NO.: 6
AGENDA DATE: Thu 05/12/2005
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SUBJECT: Authorize negotiation and execution of the first amendment to the real estate contract between the City of Austin and the Austin Museum of Art, Inc. (AMOA) regarding the sale of the Jail-House Block (bounded by Third Street, Fourth Street, San Antonio Street, and Guadalupe Street).

+AMOUNT & SOURCE OF FUNDING: N/A

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

REQUESTING Economic Growth and **DIRECTOR'S**
DEPARTMENT: Redevelopment Services **AUTHORIZATION:** Sue Edwards

FOR MORE INFORMATION CONTACT: Alison Gallaway, Asst City Attorney; Sue Edwards, Director, EGRSO

PRIOR COUNCIL ACTION: N/A

BOARD AND COMMISSION ACTION: N/A

The City of Austin (City) and Austin Museum of Art, Inc. (AMOA) entered into a Real Estate Sales Contract in April of 2000, which required AMOA to perform certain tasks by certain dates. Due to numerous circumstances, including the downturn in the economy AMOA was unable to perform the tasks within the time period.

After consideration on the part of AMOA, they have proposed a new set of tasks and a new timeframe to accomplish those tasks. AMOA has agreed to construct a multi use development of at least 231,000 square feet, of which at least 25,000 square feet must be an art museum within five years after the Austin City Council approves the First Amendment to Real Estate Sales Contract. Any multi use development will include a requirement that 25% of the parking spaces initially allocated to AMOA be reserved for public parking. If the block is sold, or otherwise disposed of, without construction of an art museum of at least 25,000 square feet, then 25% of all parking built on or for the block will be dedicated to public parking. A fee may be charged for the public to use the parking.