



Grant
CITY OF AUSTIN
RECOMMENDATION FOR COUNCIL ACTION

AGENDA ITEM NO.: 11
AGENDA DATE: Thu 09/29/2005
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SUBJECT: Authorize an amendment to the City Grant Agreement with the World Congress on Information Technology (WCIT) and acceptance of an assignment of U.S. Department of Housing and Urban Development grant funds from WCIT in the amount of \$248,000 for renovations to the Austin Convention Center.

AMOUNT & SOURCE OF FUNDING: Funding is available from the U.S. Department of Housing and Urban Development (HUD) Economic Development Initiative Special Project grant program for the WCIT Ethernet Backbone Project.

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

REQUESTING Financial and **DIRECTOR'S**
DEPARTMENT: Administrative Services **AUTHORIZATION:** Vickie Schubert

FOR MORE INFORMATION CONTACT: John Stephens, Chief Financial Officer, 974-2076

PRIOR COUNCIL ACTION: April 1, 2004 - Council approved a resolution in support of the WCIT, authorized negotiation and execution of a grant agreement with WCIT and accepted assignment of a U.S. Department of Housing and Urban Development Grant for \$400,000 for infrastructure improvements at the Austin Convention Center.

BOARD AND COMMISSION ACTION: N/A

PURCHASING: N/A

MBE / WBE: N/A

Austin has been selected as the site to host the 15th biennial World Congress on Information Technology (WCIT) in May 2006. The WCIT is the flagship event of the World Information Technology Services Alliance's consortium of 50 international IT organizations with membership representing over 90% of the world's IT market. WCIT is the world's premier technology forum and will be attended by global leaders from business, government and academia from all over the world. This event is estimated to have a direct economic benefit of \$44 million to Austin and Texas, will generate nearly \$2 million in new local and state sales tax revenue, and will provide Austin and Texas with extensive media exposure valued at nearly \$10 million. This event will provide opportunities for local technology businesses and will enhance Austin's ability to recruit and retain technology firms. Additionally, this conference will provide a permanent wireless infrastructure for the Austin Convention Center.

In April 1, 2004, Council approved a contract with the WCIT and approved acceptance of the assignment of a U.S. Department of Housing and Urban Development (HUD) Grant for \$400,000 for infrastructure improvements at the Austin Convention Center. WCIT is also the grantee for a second HUD grant for \$248,000. This grant is also to be assigned to the City of Austin Convention Center for wireless



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infrastructure improvements. This Council Action will authorize an amendment to the original grant agreement to include the new \$248,000 HUD Grant. The renovations to the Convention Center funded by the new grant include a 10 Gigabit Ethernet backbone system for use by the WCIT Conference in May 2006 and other events. This backbone will support wireless Voice over IP traffic as well as wired and wireless data services.



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, DC 20410-7000

ASSISTANT SECRETARY FOR
COMMUNITY PLANNING AND DEVELOPMENT

MAY 17 2005

Mr. J. Nixon Fox, III
Chairman and President
World Congress on Information Technology
210 Barton Springs Road, Suite 400
Austin, TX 78704

Dear Mr. Fox:

The Consolidated Appropriations Act of 2005 (PL 108-447) (the Act), signed into law by President Bush on December 8, 2004, provided the Department of Housing and Urban Development with Economic Development Initiative (EDI) funds for certain special projects specified in the Conference Report accompanying the Act (H.R. 108-792). The following project was specified in the Conference Report to receive grant funding in the listed amount:

Project Description: For the World Congress on Information Technology in Austin, Texas for renovations to the Austin Convention Center

Grant Amount: \$248,000

Grant Number: B-05-SP-TX-0292

Please note that the Grant Amount shown above is 99.2% of the amount specified in the Conference Report due to the .8% rescission mandated by the Act. All materials necessary to apply for the grant listed above are enclosed and must be completed and returned to the Department as explained in the instructions. Upon receipt of your completed application, we will review it for consistency with the intent of Congress and will notify you regarding any questions we have with respect to your application.

Limitations on Administrative and Operational Expenses

There are several key provisions of the Act of which you should be aware. First, the Act contains the following language with regard to administrative costs payable with the grant funds:

“That unless explicitly provided for under this heading...not to exceed 20 percent of any grant made with funds appropriated under this heading...shall be expended for planning and management development and administration.”

The 20 percent limitation is applicable to the EDI grant amount specified in this letter and encompasses general management expenses associated with administration of the grant as well as direct project delivery costs including, but not limited to:

- Project financing fees, expenses, taxes and insurance;
- Development and construction management fees and costs;
- Professional services necessary to implement the project (architectural, engineering, surveying, appraisal, legal, accounting, etc.); and
- On-site services during construction (security, temporary utilities, etc.).

Second, in describing the use of EDI funds, the Act states: "That none of the [EDI] funds provided under this paragraph may be used for program operations." The intent of Congress as expressed by this language is to ensure that EDI grant recipients use the EDI funds for construction, rehabilitation, property acquisition and other "hard cost" activities as specified in the appropriation of funds for this grant.

The Application Kit directions require that you prepare a simple project budget statement identifying the use of the EDI funds. Please keep these administrative and operational cost limitations in mind as you prepare the project budget statement.

Environmental Review Requirements

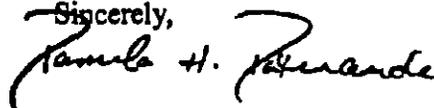
The Conference Report also specifies that projects receiving funds must comply with certain environmental review requirements and that legislative waivers of such requirements will not be entertained. Under those requirements, you may not take any actions nor commit any HUD or any non-HUD funds that would cause actions that are choice-limiting among reasonable alternatives or would produce an adverse environmental impact, before HUD has approved the environmental certification of compliance, and the request for release of funds. Therefore, you are encouraged to commence the environmental review process as soon as possible. Please review carefully the detailed information on these environmental requirements provided in Attachment II of the Application Kit before proceeding with your application.

Limitation on Reimbursement of Incurred Costs

The Act requires that funds provided for projects shall not be used for reimbursement of expenses incurred prior to enactment of the Act on December 8, 2004.

If you or your staff have any questions regarding the application package, please contact the Office of Economic Development, Room 7146, U.S. Department of Housing and Urban Development, Washington, DC 20410 at (202) 708-3773.

I look forward to assisting you in the successful implementation of your project.

Sincerely,


Pamela H. Patenaude
Assistant Secretary

Enclosure(s)

**FIRST AMENDMENT
TO GRANT AGREEMENT
BETWEEN THE CITY OF AUSTIN
AND WCIT 2006, INC.**

This Agreement ("First Amendment") is entered into by and between the City of Austin ("City"), a Texas home-rule municipal corporation, and WCIT, 2006, Inc. ("WCIT 2006") a Texas nonprofit corporation.

WHEREAS:

- A. The City and WCIT 2006 are parties to a Grant Agreement effective July 19, 2004 (the "Original Grant Agreement") in which *inter alia* WCIT 2006 assigned its rights to a \$397,640 grant ("HUD Grant") issued by the United States Department of Housing and Urban Development to be used for renovations and infrastructure improvements to the Austin Convention Center in preparation for the 2006 World Congress on Information Technology conference to be held in Austin, Texas in May 2006;
- B. Pursuant to the Consolidated Appropriations Act of 2005 (PL 108-447), the United States Congress appropriated an additional \$248,000 for the World Congress on Information Technology in Austin, Texas for renovations to the Austin Convention Center ("2nd HUD Grant") as described in the letter from the United States Department Housing and Urban Development to Mr. J. Nixon Fox III dated May 17, 2005, a copy of which is attached hereto as Exhibit A; and
- C. WCIT 2006 wishes to assign all rights that it has or may acquire in the 2nd HUD Grant to the City to be used for the same purposes as the original HUD Grant, as set forth in Section 2.2 of the Original Grant Agreement.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is acknowledged, the City and WCIT 2006 agree as follows:

- 1. All references in the Original Grant Agreement to the HUD Grant shall be deemed to include both the original \$397,640 grant as well as the 2nd HUD Grant.
- 2. No additional City Commitment (as such term is defined in the Original Grant Agreement) is required for the assignment of the 2nd HUD Grant.
- 3. This First Amendment shall be effective as of the date it is executed by the last party to sign.
- 4. Except as expressly amended hereby, the Original Grant Agreement shall remain in force and effect in accordance with its terms.

DRAFT FOR DISCUSSION PURPOSES ONLY

8/24/2005

IN WITNESS WHEREOF, the parties have executed this Agreement by their duly authorized representatives as of the Effective Date.

WCIT 2006, INC.

By:

Name:

Title:

Date:

CITY OF AUSTIN

Approved as to Form:

By:

Name:

Title:

Date:

David Petersen

Assistant City Attorney