



## MEMORANDUM

**TO:** Mayor and City Council

**FROM:** Sylnovia Holt-Rabb, Acting Director *SHR*  
Economic Development Department (EDD)

**DATE:** July 24, 2020

**SUBJECT:** \$12M Creative Space Bond:  
Update and Next Steps on Acquisition Process

This memorandum provides an update on the execution of the \$12 million in funding earmarked in Proposition B of the 2018 Bond package for creative space acquisition and improvements.

In a [memorandum dated April 3, 2020](#), Economic Development Department (EDD) staff provided a detailed response on actions directed in [City Council Resolution No. 20180809-061](#) to recommend “a proposed process, description, and criteria for Creative Space Acquisition and Improvements... developed in consultation with the Arts and Music Commissions and in compliance with the use of bond funds.” The process outlined in the April 3<sup>rd</sup> memorandum is included as **Attachment A** to this memorandum for ease of reference. The process is foundationally based on the unanimously approved [Arts and Music Commission recommendations](#) of their appointed Joint Working Group and legal parameters related to the Bond Proposition and contract with the voters.

In a [memorandum dated May 14, 2020](#), EDD provided additional clarity about the types of projects the City would consider through the multi-party solicitation process outlined in Attachment A as well as a timeline. The engagement of this ensemble of brokerage and public-private partnership expertise will enable City staff expeditiously and more seamlessly match interested sites and landowners with potential facility operators in a manner consistent with the understanding outlined in the May 14<sup>th</sup> memorandum.

### Next Steps

EDD is on track to meet the milestones outlined in the May 14, 2020 memorandum. City staff completed negotiations with the Texas Facilities Commission on an interlocal agreement (ILA) that will provide the City with requisite consultant and broker services for the acquisition process. The proposed ILA is placed on the July 30, 2020 City Council Agenda for consideration and action.

To advance more expeditiously on the timeline, EDD is in the process of engaging Alvarez and Marsal Public Service Advisors in a limited engagement to implement parts of the first two tasks covered by their services delivered through the Texas Facility Commission interlocal agreement. This limited engagement will enable City staff to commence the Request for Information initial stage of the process.

EDD will release a Request for Information to advertise the opportunity to serve as operator of a future facility(ies) to potential landowners and operators. This will inform landowners on how to indicate their interest and provide site information to the City through a broker. Operators will indicate their interest and provide information to the City through RFI that will come from the Purchasing Office. City staff will use evaluation through both broker and operator processes to identify how well each proposed site and operator can work together to meet the project goals. EDD anticipates issuing the Request for Information within 3-4 weeks.

Please direct any questions to me at 512.974.2156, or to Christine Maguire, Redevelopment Division Manager, at 512.974.7131.

xc: Spencer Cronk, City Manager  
Nuria Rivera-Vandermyde, Deputy City Manager  
J. Rodney Gonzales, Assistant City Manager  
Anne Morgan, City Attorney  
James Scarboro, Purchasing Officer  
Leela Fireside, Assistant City Attorney  
Ron Pigott, Assistant City Attorney

## Attachment A: Solicitation Process for Land and Facilities Acquisition

The following outlines roles and responsibilities, as well as solicitation process for land and facilities acquisition. This multi-party process is staff's recommended method for delivering programmed, City-owned creative space to the community using an acquisition process similar to that of the new Planning and Development Center at Highland Mall.

### Roles and Responsibilities:

- **Public-Private Partnership Advisor:** Informed by the work of the Arts and Music Commission through their Joint Recommendation to Mayor and Council, the Public-Private Partnership Advisor assists City staff with project delivery planning, requesting information and input from potential partners, site proposal evaluation criteria, analysis of site and project opportunities, assessment and evaluation of submitted proposals, and assistance with negotiation agreements and final transaction documents.
- **Real Estate Broker:** The Real Estate Broker works on the City's behalf to identify market opportunities and engage with interested landowners. The Broker issues the solicitation and is the intermediary for all contact between the City and landowners.
- **Facility Operator:** The Facility Operator is the entity operating the acquired facility or facilities. The Operator enters into a Qualified Management Services contract with the City to operate selected creative space, based on the terms and conditions outlined in a City-led Request for Proposals.

### Expected Solicitation Process for Facilities Acquisition and Operations:

1. The City enters into an Interlocal Agreement with the Texas Facilities Commission to utilize their competitively selected Public-Private Partnership Advisor and Real Estate Broker. The Advisor assists staff throughout the site and operator selection process.
2. Solicitation for properties is issued independently by Real Estate Broker, who works with interested landowners in submitting proposals.
3. Through City Purchasing, the City issues a Request for Information to potential facility operators to gauge their level of interest in different types of facilities and potential Facility Operator business terms.
4. Through City Purchasing, the City issues a Qualified Management Services Request for Proposals informed by responses to Request for Information.
5. A pre-bid conference is held with parties interested in applying as facilities operators at top-contending properties that have responded to the Request for Information or to the Real Estate Broker's property solicitation.
6. Potential facility operators apply to City Purchasing's Request for Proposals and indicate their interest in one or more top-contending properties.
7. The City evaluates submitted proposals for Facility Operators in consultation with the Public-Private Partnership Advisor and in consideration of the Joint Recommendation of the Arts and Music Commissions.
8. City directs Real Estate Broker to negotiate terms for the purchase of one or more top-contending properties based on ranking of both the property and consideration of the strength and level of interest from the Facility Operator proposals.
9. City purchases propert(ies) and awards Facilities Operator contract(s).