

**CIP
EXPENSE DETAIL**

DATE OF COUNCIL CONSIDERATION:

4/17/14

CONTACT DEPARTMENT(S):

Financial Services; Economic Development

SUBJECT: Authorize negotiation and execution of an Agreement for Development and Construction of New Cultural Facilities for Public Use Funded in Part With Bond Funds with the Film Society of Austin, Inc. (Austin Film Society), a Texas non-profit organization, for the City improvements and renovations to the Austin Studios facilities; and approve an ordinance waiving certain requirements of Chapter 14 of the City Code to authorize Austin Film Society to name buildings subject to ratification by council and areas within the buildings subject to review by the City Manager or his designee.

CURRENT YEAR IMPACT:

Department:	Economic Development Department
Project Name:	Austin Studios
Fund/Department/Unit:	8118-5507-A002
Funding Source:	2012 Bond Program
Authorization	5,400,000.00
Unencumbered Balance:	5,400,000.00
Amount of This Action:	(5,400,000.00)
Remaining Balance:	<u>0.00</u>

ANALYSIS / ADDITIONAL INFORMATION: On November 6, 2012, Austin voters approved Proposition 18 which authorized the issuance of general obligation bonds to be used for various projects, including the planning, designing, engineering, acquiring, constructing, renovating, improving, and equipping library, museum, and cultural arts facilities. Included in the cultural arts facilities funds is \$5.4 million for improvements to Austin Studios. These are City-owned facilities adjacent to the Mueller redevelopment site that are leased and operated by the Film Society of Austin, Inc., (Austin Film Society) as part of a public-private partnership.

Pursuant to a lease agreement dated July 22, 2009 and amended by the Lease Premises Reconfiguration Amendment dated March 1, 2013, between the City of Austin and the Austin Film Society, the Austin Film Society occupies and operates the Austin Studios complex for multi-media productions and for educational and job training purposes. In accordance with the lease, and with the City's written consent, Austin Film Society may construct improvements on the property. These improvements are owned by the City.

This agreement will allow the City of Austin to provide funding for capital improvements such as the renovation of the former National Guard Armory, infrastructure improvements, security, drainage, accessibility, and vehicular connection. These improvements will help Austin retain its favorable position in the film industry.