

RESOLUTION NO. 20140828-087

WHEREAS, for more than a decade, the Austin Film Society (AFS) has operated Austin Studios, a 20-acre film and creative media production complex located at 1901 E. 51st Street in Austin, TX; and

WHEREAS, the goal of Austin Studios is to encourage Austin's growing creative media community and infrastructure; and

WHEREAS, in support of the City of Austin's Economic Development strategy to support the film and creative media industries, Austin Studios has been used for over 235 productions, including films such as TRUE GRIT, IDIOCRACY, MISS CONGENIALITY, PREDATORS, SPY KIDS and PARKLAND; and

WHEREAS, these productions have had an economic impact of \$1.35 Billion on the Austin economy, creating more than 8,000 jobs for local residents; **NOW, THEREFORE,**

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF AUSTIN:

The City Manager is directed to negotiate and execute an amendment to the lease agreement between the City of Austin and the Film Society of Austin by November 30, 2014 in order to renegotiate the existing terms to include the following:

- a. Provide that the City carry insurance reimbursement for casualty loss coverage for City facilities on the property and that the cost for such coverage is reimbursed by Film Society of Austin;
- b. Provide that the original term is 25 years with two additional 25 year renewal options;

- c. Provide that City approval for any leasehold improvement is required if the cost of the improvement exceeds \$150,000, to be adjusted for inflation; and
- d. Provide that the local hire requirements for subtenants conform with the guidelines attached in Exhibit A to this resolution.

ADOPTED: August 28, 2014

ATTEST:

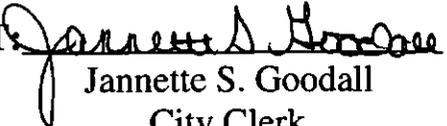

Jannette S. Goodall
City Clerk

Exhibit A: AFS Lease - Local Hire Guidelines

- a. If the proposed sublessee is already headquartered in Austin, or will have forty-nine (49) or fewer employees in its first year, the local hire requirement will remain at seventy-five percent (75%).
- b. If the sublessee is relocating or expanding to Austin from another city, state or country and has fifty (50) or more employees, the local hire requirement that must be placed in the sublease will be:

If on the effective date of the sublease, sublessee employs fifty (50) or more employees who work at the premises, then at least seventy-five percent (75%) of such employees must be "Austin Residents" defined as a person who resides in the Austin-Round Rock Metropolitan Statistical Area at the time immediately before employment. Students residing and attending institutions of higher education in the Austin MSA will be considered Austin Residents. Sublessee must submit sufficient documentation to AFS within the first thirty (30) days of the effective date of the sublease confirming compliance with this requirement. Sufficient documentation includes copies of driver's licenses, utility bills or similar documentation.

- c. If the prospective sublessee does not believe that it can meet a goal of seventy-five percent (75%) of local hires, AFS will request the following information from the company:
 1. How many jobs does the company expect to create in the first year?
 2. What is the average pay per job?
 3. What percentage of local hires will the company commit to?

With that information, AFS will hold a public information session with two weeks' notice, publicized via an email to its members and to the current tenants of Austin Studios, and listen to any concerns that may exist. If AFS then decides to go forward in seeking approval for the sublessee with local hire percentage that is less than seventy-five percent (75%), AFS will publish notes from the public meeting on its web site, and make the notes available to the City staff, which can use their discretion in granting or denying approval of the proposed sublessee, that if approved will include the approved local hire percentage.