



Recommendation for Action

File #: 19-2609, **Agenda Item #:** 22.

8/22/2019

Posting Language

Authorize payment to Catellus Development Corporation for reimbursement of certain costs as part of the exclusive negotiation agreement for planning, engineering, economic, and due diligence services related to the Colony Park Master Development Agreement, in an amount not to exceed \$300,000, contingent on certain factors.

Lead Department

Economic Development Department.

Fiscal Note

Funding in the amount of \$300,000 is contingent upon approval of the Fiscal Year 2019-2020 Operating Budget of the Economic Development Department.

Prior Council Action:

December 15, 2011 - Council approved item 14 on a 7-0 vote. Item 14 was Ordinance No. 20111215-014, authorizing acceptance of up to \$3,000,000 in grant funds from the Community Challenge Grant Program of the United States Department of Housing and Urban Development; and amended the Fiscal Year 2011-2012 Neighborhood Housing and Community Development Office Operating Budget.

December 11, 2014 - Council approved item 120 on a 7-0 vote. Item 120 was Resolution No. 20141211-120 directing the City Manager to evaluate all possible funding sources to implement the Colony Park Master Plan.

December 11, 2014 - Council approved item 150 on a 7-0 vote. Item 150 was Ordinance No. 20141211-150 amending City Code Chapter 25-2 by rezoning the 208-acre Colony Park site from single family residence-standard lot (SF-2) district zoning, family residence (SF-3) district zoning, and multi-family residence low density (MF-2) district zoning to planned unit development (PUD) district zoning.

October 6, 2016 - Council approved item 56 on a 9-0 vote, with Council Member Zimmerman abstaining and Council Member Troxclair absent. Item 56 was Ordinance No. 20161006-056, which amended the Imagine Austin Comprehensive Plan Map and Attachments for the Colony Park Sustainable Community Initiative Master Plan.

October 18, 2018 - Council approved item 30 on a 10-0 vote, with Council Member Pool absent. Item 30 was the negotiation and execution of an Exclusive Negotiation Agreement for terms governing a Master Developer Agreement for the development of Colony Park Sustainable Community.

For More Information:

Inquiries should be directed to the City Manager's Agenda Office, at 512-974-2991 or AgendaOffice@austintexas.gov <<mailto:AgendaOffice@austintexas.gov>>.

Additional Backup Information:

Staff was authorized on October 18, 2018 to negotiate and execute an Exclusive Negotiation Agreement (ENA) with Catellus Development Corporation (Catellus) for terms governing the development of

approximately 208 acres of city-owned land, known as the Colony Park Sustainable Community. The original ENA had no fiscal impact. Subsequent negotiations with Catellus have resulted in the refinement of terms necessary to execute the ENA which may have a fiscal impact. This Recommendation for Council Action accounts for the potential fiscal impact based on negotiations to date.

Upon execution of the ENA, Catellus shall be authorized to proceed with an initial period of due diligence with a scope of services, including community engagement, planning, engineering, economic and real estate due diligence, as required to develop the terms and conditions for the Master Development Agreement (MDA). Upon completion of the services, the City will maintain ownership of all deliverables and documents advancing the development of the Colony Park property. The pre-development services will be financed by Catellus and considered as valid pre-development project expenses and used to calculate the developer's return on investment should the City and Catellus agree to execute the MDA. The City will reimburse Catellus in an amount not to exceed \$300,000 for approved services provided by their consultant team should the City or Catellus decide not to execute the MDA. Should the City and Catellus agree to proceed with MDA negotiations following this initial period of due diligence, Staff will return to Council for further authority to reimburse Catellus for Catellus' remaining pre-development services related to (1) establishing public financing options, (2) obtaining revisions to the PUD, and (3) initiating capital improvement projects if the City or Catellus decides not to execute the MDA. The not-to-exceed amount of those remaining reimbursements has not yet been determined.