Recommendation for Action

File #: 19-3794, **Agenda Item #:** 7. 2/6/2020

Posting Language

Authorize negotiation and execution of an interlocal agreement with Travis County Healthcare District d/b/a Central Health to reimburse the City for real estate due diligence services provided by Economic and Planning Systems to evaluate the suitability of a Health and Wellness Campus within the 208-acre Colony Park Sustainable Community.

Lead Department

Economic Development.

Fiscal Note

Funding in the amount of $40,000 is available in the Fiscal Year 2019-2020 Economic Development Department's Operating Budget. Central Health agrees to reimburse the City for real estate due diligence services provided by Economic and Planning Systems in an amount not to exceed $40,000.

Prior Council Action:

August 22, 2019 - Council authorized negotiation of an interlocal agreement with Travis County Healthcare District d/b/a Central Health to reimburse the City to purchase real estate due diligence services provided by Economic and Planning Systems to evaluate the suitability of a Health and Wellness Campus within the 208-acre Colony Park Sustainable Community on an 11-0 vote on consent.

October 18, 2018 - Council authorized negotiation and execution of an Exclusive Negotiation Agreement with Catellus Development Corporation for terms governing a Master Developer Agreement for the development of Colony Park Sustainable Community on a 10-0 vote with Council Member Pool absent.

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

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

December 15, 2011 - Council approved 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, on a 7-0 vote.

For More Information:

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Additional Backup Information:

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The opportunity to develop a Health and Wellness Campus was included in the Colony Park Sustainable Community (Colony Park) Request for Qualifications (RFQS) and Request for Proposal (RFP), and represents an opportunity to provide a critical need identified by the community that further aligns the development at the 208-acre Colony Park site with the City's Strategic Outcomes of Economic Opportunity & Affordability, and Health & Environment.

Economic and Planning Systems will conduct the work in two phases, with an initial completed phase that explored alternative locations and site plans for the Health and Wellness Campus, and the impact of the alternatives on marketability, revenue potential, and horizontal development costs for the Colony Park project overall and a second phase that will consist of an economic analysis that includes the preparation of a conceptual pro forma for projects with Central Health, and incorporates cost estimation and support negotiating a Memorandum of Understanding Term Sheet between the City, Central Health, and a potential master developer that defines the expected business terms for the Health and Wellness Campus. The interlocal agreement (ILA) with Central Health specifies the terms of the cost-sharing agreement, roles and responsibilities of each party, and timetable for deliverables.

As stipulated in the Colony Park RFQS/RFP, the City reserves the right to negotiate with Central Health, independently from the master developer, regarding a sale or lease of up to 5 acres of land within the 208-acre Colony Park site for the development of a Health and Wellness Campus to serve the immediate and critical needs of the Northeast Austin and Northeast Travis County communities. The anticipated outcomes include planning alternatives that will inform a recommended site concept plan, site analysis, site selection, site planning, master plan integration, site and utility infrastructure engineering, estimates of site and infrastructure investments, and economic analysis to establish the business terms for the real estate transaction.

The resulting terms and conditions for a real estate transaction developed through negotiation of the ILA will be brought to City Council in a future request for council action.

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