

# \$12M Creative Space Bond Updates

9/11/2020

JOINT ARTS & MUSIC COMMISSION MEETING



**Economic  
Development**  
CITY OF AUSTIN

# Agenda

- Where we've been
- Why this bond is unique
- Procurement process
- Where we are now
- Questions?

# Where we've been

WORKING GROUP AND CITY ACTIONS  
2018 TO DATE



# Working Group (WG)

## Timeline and Process

**Winter 2018-19**  
(WG) Forms and  
meets

**Mar–May 2019**  
Community  
Survey

**June 2019**  
Joint Arts &  
Music  
Commission  
public input

**Sept– Nov 2019**  
WG finalizes  
recs.

**Dec. 2019 – Jan  
2020**  
Arts & Music  
Commissions  
ratify recs.



# Arts & Music Commission Recommendations

- Specifically address historic inequities
- Alleviate the affordability crisis and rapid loss of creative affordable space
- Flexible multi-use space dedicated for arts and music but open and accessible to public
- City owned but built / operated by non-City partners



# Arts & Music Commission Recommendations

## EQUITY

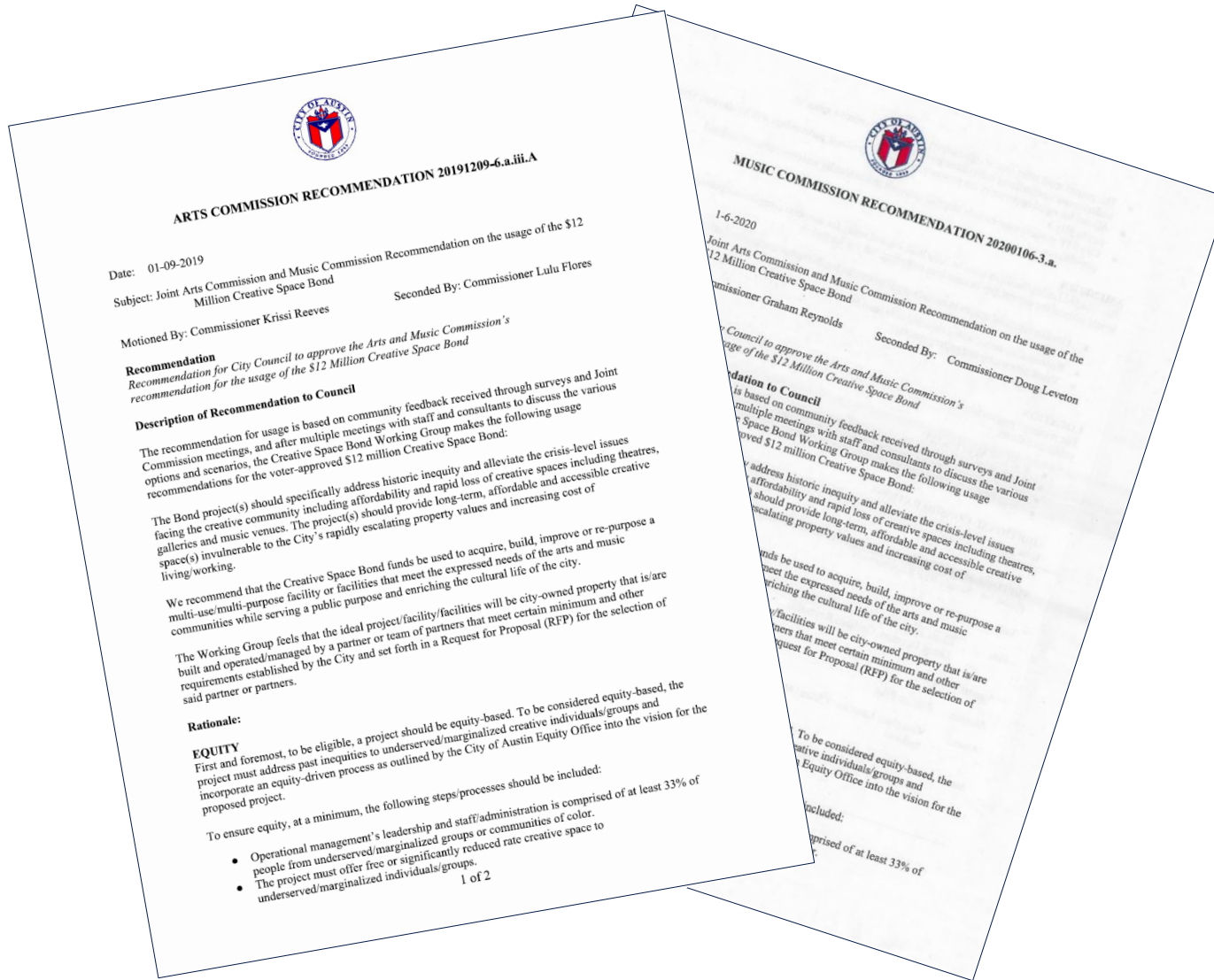
- Operational management's leadership
- Free or significantly reduced rate creative space to underserved/ marginalized individuals/groups.
- Equal opportunity for project participation. Strategic partnerships will be allowed. (No pay to play.)
- RFP process must include targeted outreach to historically underserved/ marginalized populations.

## AMENITIES

- Flexible rehearsal spaces to include small rooms for bands/theater companies/performance artists to rehearse
- Performance venue with a capacity of at least 50 seats (may include outdoors)
- Visual arts studio and gallery space(s)
- Educational space(s)



# Arts & Music Commission Recommendations



## PARTNERSHIPS


Total project(s) costs cannot exceed \$12,000,000 unless the funding gap is fully funded by the proposing partner/team of partners.

## LOCATION

- E of I-35, W of US-183
- S of Lady Bird Lake, N of Ben White (HWY-71)
- Downtown (Lady Bird Lake to MLK and I-35 to MoPac)
- N of 30<sup>th</sup> St., S of US-183



# Procurement Development Process



**Nov – April 2020:**  
Determine  
Procurement  
Process

**April – June 2020:**  
Refine Procurement  
Process w/ WG  
Recommendations

**June – Aug 2020:**  
Onboard  
Procurement  
Consultant Team

**Sept – Oct 2020:**  
Issue RFI





JOINT ARTS & MUSIC COMMISSION MEETING

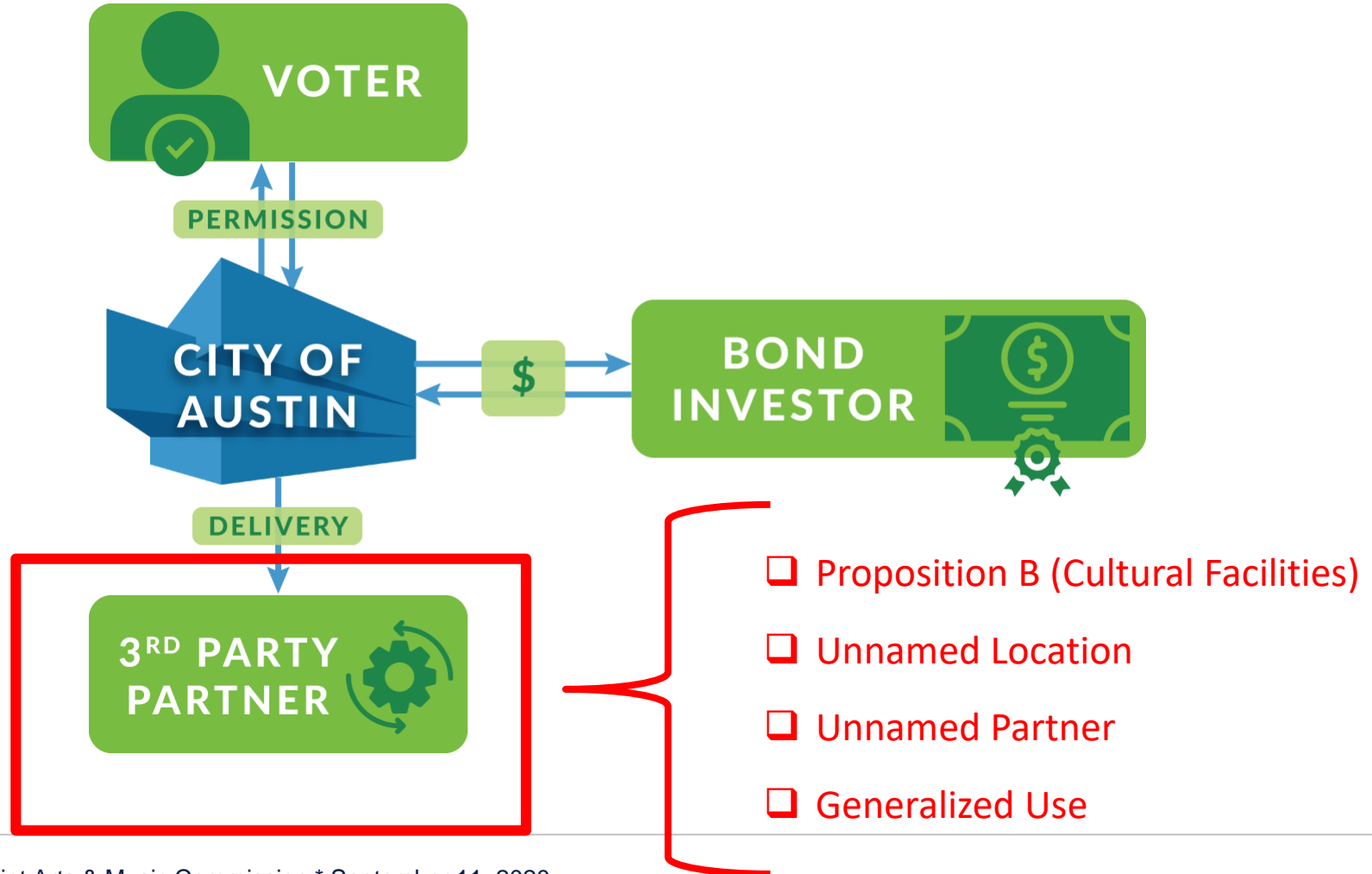
# Why this bond is unique

BOND PARAMETERS



# G.O. Bond-Funded Construction Projects

## Four Key Parties Involved



# Libraries, Museums and Cultural Facilities

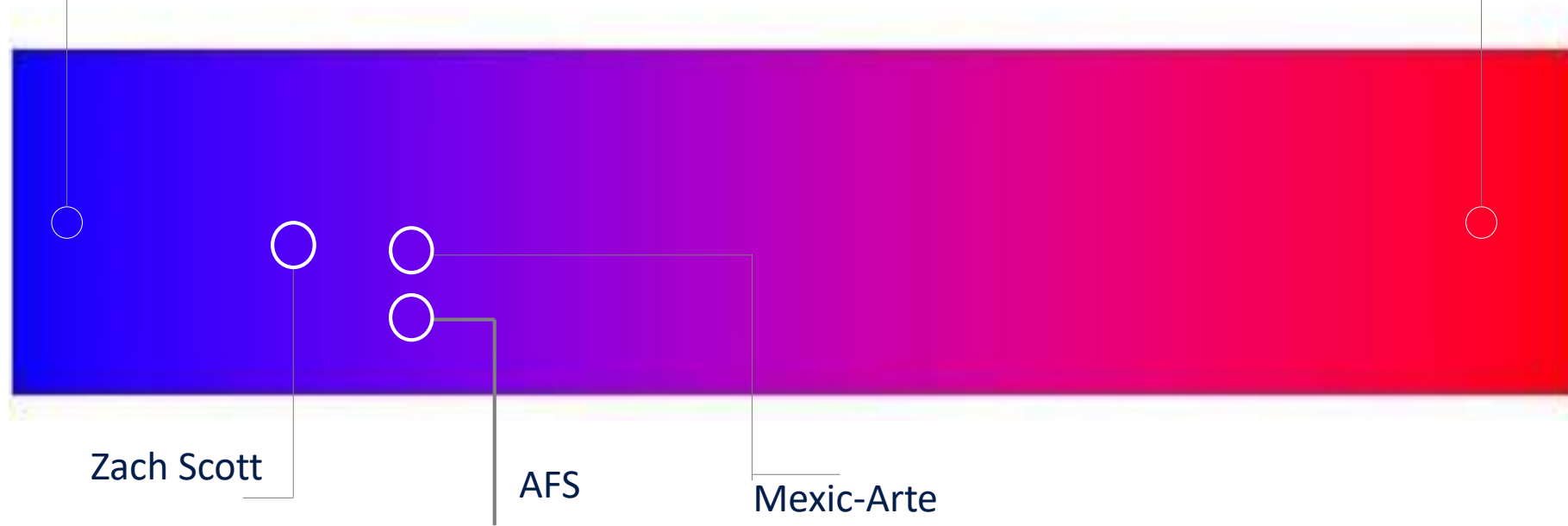
Continuum along public vs. economic development use (Illustrative)

## Public (ex. Library)

- Clear public purpose
- Public ownership
- No profit (recoup costs)
- Open public access

## Economic Development

- Private benefit
- Private ownership
- For profit (above costs)
- Limited access



# Lessons Learned from Past Bond Projects

- In the past, the City has contracted with the same entity to both construct as well as operate the facility
- Speed of project delivery is a function of third-party partner's capacity to manage the project
- Project budget that requires both bond funds and private fundraising requires private fundraising commitments to be secured prior to construction
- Expenditures of bond funds must deliver what the “contract with the voters” has specified at the end of construction
- The third-party entity shoulders project risk: cost overruns, all government fees, regulations that apply to private projects AND “third party” requirements
- City must have Attorney General approval for the City to issue GO Bonds
- The farther towards the “economic development” side of the spectrum, the higher the likelihood of not passing Bond Counsel or AG muster

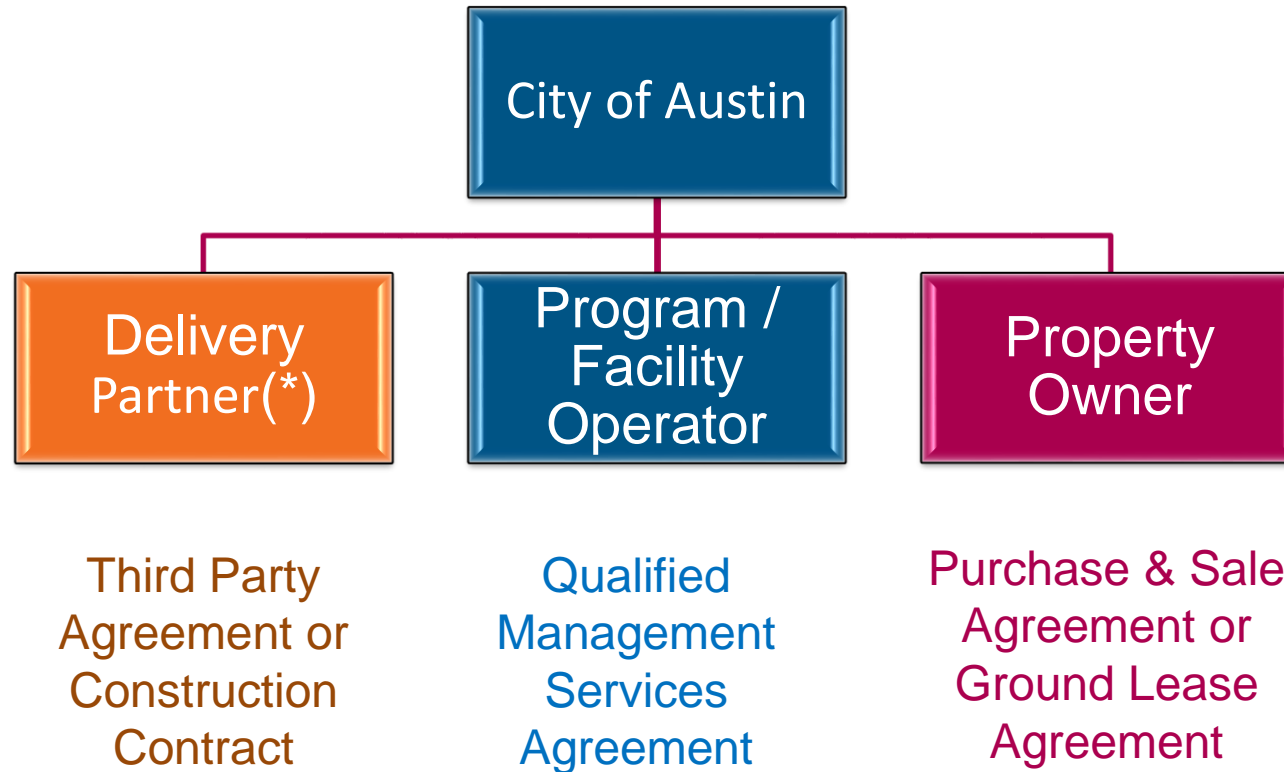


JOINT ARTS & MUSIC COMMISSION MEETING

# Procurement Process



# Project Delivery Model



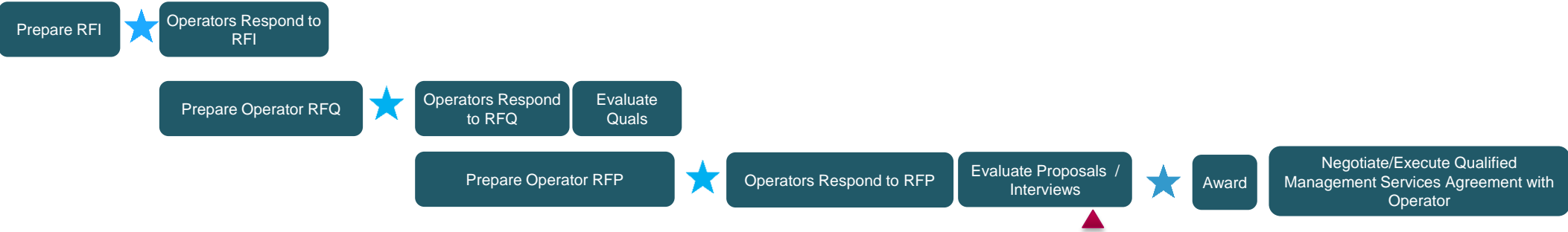
**\*Note:** Delivery partner could be either a Fee Developer or Design-Build Contractor



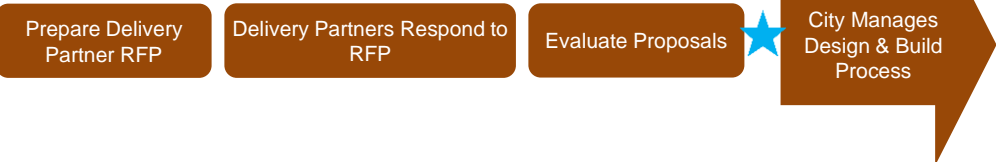


# Procurement Process – Anticipated Timeline

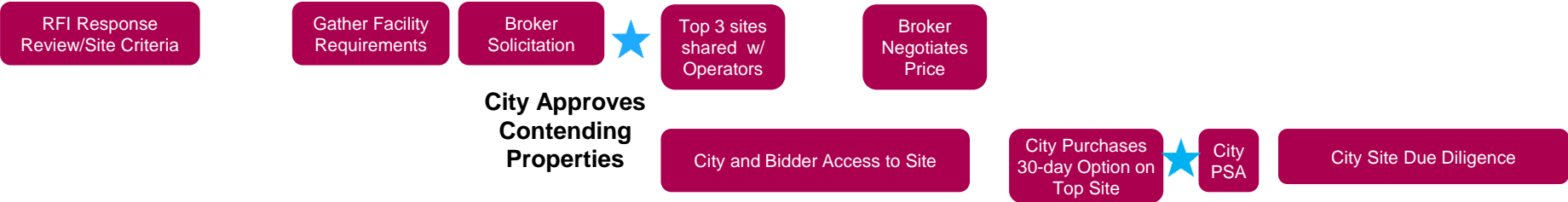
## Operator Procurement Process



## Delivery Partner\* Procurement Process



## Property Solicitation Process



# REQUEST FOR INFORMATION (RFI)



## Why do an RFI?

- ☐ Uses the WG recommendations to prepare market interest
- ☐ Provides more informed direction for development of a facility operator RFQ/RFP (partnerships, capacity, interest)
- ☐ Provides strategic information to Broker for property solicitation





# FACILITY OPERATOR PROCUREMENT

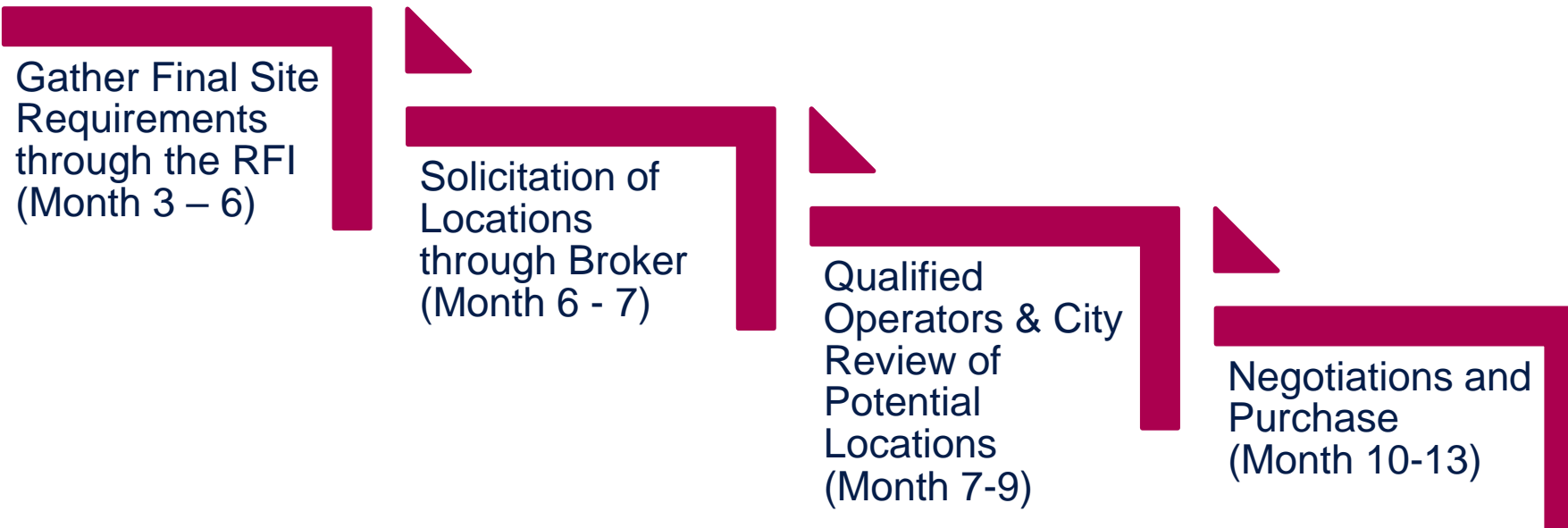
## Request for Qualifications (RFQ)



- ☐ Evaluates qualifications of potential operators in terms of experience, industry knowledge, capabilities of the team, financial capacity.
- ☐ Informs criteria specific to site selection to ensure operational feasibility.
- ☐ Only the top selected facility operators will be invited to submit proposals related to the top properties.



# PROPERTY SOLICITATION PROCESS

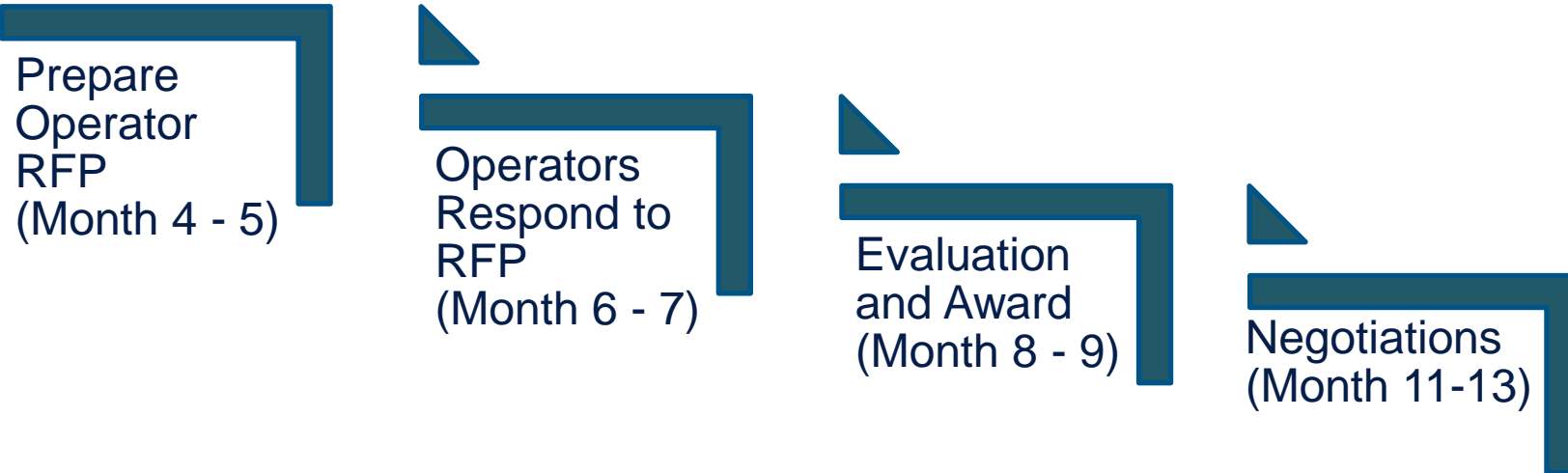


- ☐ Informed by the RFI, the Broker will be identifying available spaces during the Facility Operator procurement process.
- ☐ The Broker will evaluate sites and arrive at top sites meriting deeper review.
- ☐ Top qualified operators selected during the Facility Operator RFQ and City will preview top identified sites.
- ☐ Top selected Qualified Operators will be invited to submit proposals on one or several top selected sites during the Facility Operator RFP process.



# FACILITY OPERATOR PROCUREMENT

## Request for Proposals (RFP)



- ☐ Only selected qualified operators through the RFQ process will inspect the top properties (under non-disclosure agreement).
- ☐ Top Operators invited to submit proposals on the top properties of their interest (one or all).
- ☐ Proposals evaluated on the soundness of the business plan on the operations of the facility based on the cost to secure and renovate the property.
- ☐ Upon City Council, Attorney General and Bond Counsel approval, award facilities management agreement with the operator of the selected proposal and secure the property of the winning proposal.



# DELIVERY PARTNER PROCUREMENT



- ☐ Upon identification of available creative facilities and preferred operator team, the City will contract with a qualified delivery partner.
- ☐ Delivery partner will build out the facility(ies).
- ☐ Depending on the needs of the selected preferred operator team, the delivery partner could be a fee developer or a design-build contractor



# Where we are now



# Current Status/Next Steps

## Current Status:

- RFI posted 8/20/20
- Responses due 9/21/20 by 5:00 P.M.

For questions regarding the RFI, please submit to [shawn.willett@austintexas.gov](mailto:shawn.willett@austintexas.gov)

## Next Steps:

- Prepare Operator Request for Qualifications
- Review RFI Responses for Site Criteria





JOINT ARTS & MUSIC COMMISSION MEETING

# QUESTIONS?



For more information visit:  
**[www.speakupaustin.org/bond-for-creative-space](http://www.speakupaustin.org/bond-for-creative-space)**

Christine Maguire, AICP, EDFP  
Redevelopment Division Manager  
[Christine.Maguire@austintexas.gov](mailto:Christine.Maguire@austintexas.gov)

Matthew Schmidt  
Project Manager II  
[Matthew.Schmidt@austintexas.gov](mailto:Matthew.Schmidt@austintexas.gov)

