

ADDENDUM NO. 4

EAST 11TH AND 12TH STREET NEIGHBORHOOD URBAN RENEWAL PROJECT

This Addendum No. 4 (this "*Addendum*") pertains to the East 11th Street and 12th Street Neighborhood Urban Renewal Project and related services (the "*Project*") and is entered into between the City of Austin, Texas (the "*City*") and the Austin Economic Development Corporation (the "*AEDC*"), effective [Month] [Day], 2021, pursuant to the Interlocal Cooperation Agreement entered into by and among the AEDC, the City and the Austin Industrial Development Corporation June 10th, 2021 (the "*Interlocal Agreement*"). The City and the AEDC may be referred to individually as a *Party* or collectively as the *Parties*. Terms not otherwise defined have the meanings ascribed to them in the Interlocal Agreement.

1. Background

On October 1, 2019, the City entered into an "Agreement Concerning Implementation of East 11th and 12th Streets Urban Renewal Plan" (as amended, the "*URA Agreement*") with the Urban Renewal Agency of the City of Austin, a Texas urban renewal agency (the "*URA*"). The URA Agreement discusses the coordination and implementation of the East 11th and 12th Streets Urban Renewal Plan prepared by the URA and approved by the City pursuant to Chapter 374 of the Texas Local Government Code (the "*UR Plan*").

As a component of the UR Plan, the City transferred two parcels of land within the redevelopment area known as Block 16 and Block 18, totaling approximately 2.05 acres, as more fully described in Exhibit A attached hereto (the "*Land*"), and the URA has agreed to undertake the redevelopment of the Land in a manner that supports the goals of the UR Plan.

In January 2019, the URA received public input and began identifying development priorities for the Land. These priorities included (i) project creativity and need, (ii) additional affordable housing, (iii) community parking, (iv) incorporation of the African American Cultural & Heritage Facility or the Historic Victory Grill, (v) minority and women owned business, (vi) green building, and (vii) other public benefits (the "*Development Priorities*").

The AEDC and the URA have recommended that the redevelopment of the Land be achieved through a long-term master lease, ground lease, or public-private partnership transaction to be agreed upon pursuant to a competitive solicitation process. This process is most likely to result in the highest and best use of the Land as modified by the Development Priorities and the priorities set forth in the UR Plan.

2. Description of the Project.

A. *Role of the AEDC.* The City contracts with the AEDC to aid and act on behalf of the City by providing assistance and services with respect to the Project: (i) government and community relations (including community outreach), (ii) performing market research and analysis, (iii) prepare and issue one or more solicitations for the redevelopment of the Land and

provide technical assistance to respondents, (iv) transact negotiations with pre-selected respondents, and (v) long-term asset management services for City or URA owned components of the Project, or those components of the project operated on the behalf of the City or URA. For avoidance of doubt subparagraph (v) includes the management of a long-term ground lease or master lease. The AEDC is authorized to enter into the Memorandum of Understanding with the URA, in the form attached hereto as Exhibit B (the "*MOU*"). The MOU discusses the roles and responsibilities of AEDC in greater detail, as well as the proposed timeline for the redevelopment of the Land.

B. *Consultation with City Manager and Final Approval by Council.* The AEDC will coordinate participation with City Manager and any related departmental staff with respect to the Project, as contemplated by the UR Plan and the UR Agreement, or as otherwise directed by the URA or legally necessary. The final selection of the respondent(s) and approval of the definitive agreements for the redevelopment of the Land will be subject to approval by City Council.

A. C. *Cultural Trust.* Reference is hereby made to Addendum No. 2 (Cultural Trust Project) and Addendum No. 3 (Cultural Trust City Facilities Project) to the Interlocal Agreement. As a component of the proposed redevelopment, the AEDC shall explore the utilization of a portion of the Land as part of the Cultural Trust to the extent that it would be consistent with or help to accomplish the purposes of the UR Plan and/or the Development Priorities. Any potential project that may be a qualified project for the Cultural Trust Program, as managed by the AEDC, would need to apply and participate in the Program, and be evaluated/selected for potential funding independent from the consideration in the UR project.

3. Public Purposes and Priorities.

Reference is made to the Principal Objectives described in Section 6.5 of the Interlocal Agreement. The City has determined that the redevelopment of the Land in keeping with the UR Plan will accomplish one or more of the Principal Objectives. The AEDC agrees to act in a manner consistent with the objectives and priorities described and to provide an update to the City in its Annual Report describing the manner, progress and extent to which such objectives have been achieved.

4. AEDC Fees, Costs, and Expenses.

In consideration for the undertakings and services of the AEDC set forth in this Addendum, the City has approved and hereby agrees to reimburse to the AEDC a services fee in the amount of up to \$155,000, to be reimbursed on a work complete basis. The AEDC shall use the services fee solely for purposes of funding the cost of the undertakings and services contemplated herein, including for the performance of public engagement, economic analysis, and planning feasibility, and as required any additional environmental evaluation (Phase II) and mitigation, if required. To the extent that all or any part of such amounts so expended by the AEDC are reimbursed to the AEDC from the funds or sources of financing of the developer of the Project at closing, then the AEDC shall cause such amounts to be repaid to the City.

Additionally, AEDC is authorized to charge a one-time transaction fee to be paid by the selected respondent(s) for the performance of its services, as may be mutually agreed upon

between the AEDC and the URA. AEDC is also authorized to charge an annual asset management fee for the management of any components of the Project owned or operated by or for the benefit of the City or the URA.

5. General Provisions.

This Addendum may be amended, modified, revised, or changed by written instrument executed by all Parties.

This Addendum shall be attached to the Interlocal Agreement as an exhibit and incorporated into the Interlocal Agreement for all purposes. Additionally, this Addendum shall be subject to the terms and conditions of the Interlocal Agreement.

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IN WITNESS WHEREOF, the Parties have executed this Addendum No. 4 to be effective as of the last date and year written below.

AUSTIN ECONOMIC DEVELOPMENT
CORPORATION

President/CEO

DATE: _____

ATTEST:

Secretary

[(SEAL OF THE CORPORATION)]

CITY OF AUSTIN, TEXAS

City Manager

DATE:_____

ATTEST:

City Clerk

(CITY SEAL)

EXHIBIT A

Description of the Land

EXHIBIT B

Form of Memorandum of Understanding between the AEDC and the URA