

ADDENDUM NO. 5

I-35 CENTRAL AUSTIN CONNECTING EQUITABLY PROJECT

This Addendum No. 5 (this "*Addendum*") pertains to I-35 Central Austin Connecting Equitably 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 as of December 9, 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

The Texas Department of Transportation (TxDOT) is currently undertaking a project to reconstruct Interstate 35 (I-35) through central Austin, from RM2222/HWY 290 to HWY 290/71, known as the Capital Express Central Project.

I-35 was built in the footprint of East Avenue, which was at one time a tree-lined central boulevard connecting Austin's diverse populations together, and to other areas of the city. However, Austin's 1928 plan, along with other segregationist policies and practices, created a dividing line for Black and Hispanic Austinites along East Avenue. I-35 replaced East Avenue when it was completed in 1962, further segregating East Austin communities and creating a physical barrier that has to this day been a symbol of Austin's "East/West divide" and the city's continued challenges to become a more integrated, equitable community.

The City of Austin, as a participating agency in the Capital Express Central Project's NEPA (National Environmental Policy Act) process, is coordinating with TxDOT on the design and implementation of the highway project. In a separate but coordinated effort, the City is partnering with community leaders and the Downtown Austin Alliance to propose a series of highway caps and widened east-west crossings to reconnect the Austin community (Cap & Stitch Project). The City and community share concerns over additional negative and disproportionate impacts to communities of color and other vulnerable groups (including but not limited to small businesses; schools, churches and cultural groups; and people experiencing homelessness) in the project area, such as displacement, gentrification and other potential negative impacts that could result from the reconstruction and improvement of I-35.

Therefore, the City of Austin along with its community partners are interested in developing proactive solutions to address and mitigate negative impacts related to the implementation of the I-35 Capital Express Central Project as well as to leverage potential benefits of the highway caps and widened crossings for the community, particularly our low-income residents, as well as Black and Hispanic communities, and other vulnerable groups that have been negatively impacted by such projects in the past. The City of Austin will be engaging a lead team of design and engineers consultants ('Project Team') to facilitate the conceptual design and preliminary engineering of the 'Cap and Stitch Project.'

2. **The City desires to contract with the AEDC to identify and implement strategies to leverage I-35 Capital Express Central Project and Cap & Stitch Project to support local communities impacted by the I-35 project and provide equitable opportunities to benefit economically, socially and culturally from their completion. Real Estate Development opportunities and strategies identified through this scope of work may be presented in scenarios to reflect implementation with or without the Cap & Stitch Project scenario, and by AEDC and/or partners. Description of the Project.**

A. The City contracts with the AEDC to aid and act on behalf of the City by providing the following assistance and services with respect to the Project, coordinating with the lead consulting design organization selected by the City, as well as the Cap and Stitch Project Team and related community working groups:

- i. The AEDC will proactively participate in stakeholder groups and steering committees in order to coordinate efforts with community partners and in order to contribute to proactive solutions to address and mitigate the negative impacts relating to the implementation of the I-35 Capital Express Central Project, both during and post construction.
- ii. In collaboration with the Cap and Stitch Project Team, the AEDC will engage directly with communities that could be negatively impacted by the I-35 Capital Express Central Project, particularly our Black and Hispanic communities, and other vulnerable groups that have been historically impacted by the division caused by I-35 to focus on concrete implementable and sustainable strategies to achieve a dynamic and inclusive environment that restores the public realm, and public benefit to the area. This outreach, building on prior outreach engagements in the area, will focus on increasing connectivity, retaining community, providing opportunities for equitable inclusion of residents and businesses, and leveraging the project for increased opportunities for the groups impacted by the Project.

B. The AEDC will conduct each of the foregoing undertakings and services in order to achieve the following objectives and priorities:

- i. In close collaboration with Project Team, broaden community input and feedback on the desirability, design, and future programming of the Cap & Stitch Project as proposed by the City of Austin, in order to coordinate any implementation strategies.
- ii. Identify and document community concerns and impacts of the I-35 Capital Express Central Project, including housing affordability, displacement, segregation, accessibility and mobility, maintaining and catalyzing cultural projects and institutions, and impacts on small, local and minority- and women-owned businesses. Synthesize feedback into potential solutions to mitigate any negative impacts, considering long-term operations and funding mechanisms to achieve the solutions, and including design and/or programming recommendations to be feasibly included in the TxDOT or related projects.

- iii. Identify ways by which the I-35 Capital Express Central Project may be leveraged, through real estate project and financial feasibility, including land value capture analysis and other identified financial tools, to provide equitable opportunities for vulnerable and historically impacted communities and groups to benefit economically, socially, and culturally from the Project. This work will build on broader analysis by the consultant team for Cap and Stitch Project, refine scenarios and identify specific financial tools, including land value capture, in specific geographies in Central Austin, as well as deepen/ground the data in local implementation realities and strategies.

C. The AEDC shall primary utilize its full time staff, including a contemplated newly hired staff member (as well as consultants, as needed) to coordinate and oversee the performance of these undertakings.

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 pursuit and advocacy of the City's interests relating to the Project 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 pay to AEDC a services fee in the amount of \$240,000, payable immediately. AEDC shall use the services fee solely for purposes of funding the cost of the undertakings and services contemplated herein. The AEDC and City of Austin will continue to refine the specific scope of work and expected deliverables within the confines of this budget in coordination with the final scope for the lead design consultant selected by the City of Austin.

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. 5 to be effective as of December 9, 2021.

AUSTIN ECONOMIC DEVELOPMENT
CORPORATION



Theresa Alvarez
President/CEO

DATE: May 4, 2022

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CITY OF AUSTIN, TEXAS



City Manager

DATE: May 9, 2022

ATTEST:



City Clerk

