



Recommendation for Action

File #: 22-1801, Agenda Item #: 1.

11/3/2022

Posting Language

Authorize negotiation and execution of an amendment to the Exclusive Negotiating Agreement with Catellus Development Corporation d/b/a CDC Colony Park Holdings, L.P to increase reimbursement expenditures related to Phase 2 predevelopment services in an amount not to exceed \$2,600,000, for a total reimbursement amount not to exceed \$3,300,000.

Lead Department:

Economic Development Department.

Fiscal Note:

Funding in the amount of \$2,600,000 is available in the Fiscal Year 2022-2023 Operating Budget of the Economic Development Department.

Prior Council Action:

March 24, 2022 - Council approved Resolution No. 20220304-56, affirming that the Colony Park Sustainable Community Initiative is a top priority and providing direction regarding funding, development, and cooperation with other entities related to the project. (Notes: Approved on consent on an 11-0 vote)

October 29, 2020 - Council approved Item No. 20201029-08, authorizing negotiation and execution of an amendment to the Exclusive Negotiating Agreement with Catellus Development Corporation dba CDC Colony Park Holdings, L.P (Catellus) for additional reimbursement and additional predevelopment services related to the development of the Colony Park Master Development Agreement in an amount not to exceed \$400,000, for a total amount not to exceed \$700,000. (Notes: Approved on consent on an 10-0 vote)

August 22, 2019 - Council approved Item No. 20190822-022, authorizing reimbursement of certain costs as part of the Exclusive Negotiation Agreement (ENA) 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. (Notes: Approved on consent on an 11-0 vote)

October 18, 2018 - Council approved Item No. 20181018-030, authorizing negotiation and execution of an Exclusive Negotiation Agreement with Catellus for terms governing a Master Developer Agreement (MDA) for the development of Colony Park Sustainable Community. (Notes: Approved on consent on a 10-0 vote)

October 6, 2016 - Council approved Ordinance No. 20161006-056, which amended the Imagine Austin Comprehensive Plan Map and Attachments for the Colony Park Sustainable Community Initiative Master Plan. (Notes: Approved on a 9-0 vote)

December 11, 2014 - Council approved Resolution No. 20141211-120 directing the City Manager to evaluate all possible funding sources to implement the Colony Park Master Plan. (Notes: Approved on consent on a 7-0 vote)

December 11, 2014 - Council approved 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. (Notes: Approved on consent 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. (Notes: Approved on a 7-0 vote)

For More Information:

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Additional Backup Information:

On May 12, 2020, the City and Catellus executed an ENA establishing two phases for negotiating the MDA for the 208-acre City-owned property known as the Colony Park Sustainable Community (CPSC). Under the executed ENA, Council has authorized previous reimbursement amounts (\$300,000 on August 22, 2019, and \$400,000 on October 29, 2020) to reimburse Catellus for expenses for a total amount not to exceed \$700,000 incurred during Catellus' Phase 1 obligations, should the City and Catellus choose not to execute an MDA.

As required under the ENA, Catellus delivered a Phase 1 report, included in the backup, documenting the results of the Phase 1 pre-development due diligence and recommendations to advance the project. At this time, both parties agree to enter Phase 2 of the ENA to complete the scope of work required for the remaining pre-development services, and to bring forth a finalized MDA to Council for consideration no later than November 11, 2023.

The requested authorization allows the City and Catellus to initiate Phase 2 predevelopment services related to the development of the Colony Park Sustainable Community MDA in an amount not to exceed \$2,600,000, for a total amount of all authorizations not to exceed \$3,300,000. Phase 2 Services shall include but not be limited to the following scope of work: (a) Continuation of Phase 1 Due Diligence Tasks, (b) Planned Unit Development (PUD) Zoning District Revisions and Amendments, (c) MDA Illustrative Plan, and (d) MDA Pro Forma Report. Should the City and Catellus agree to execute the MDA, Catellus may be reimbursed for any of the pre-development services provided under the ENA or, the pre-development services may be considered as valid pre-development project expenses to be addressed in the executed MDA.

At any time during or at the end of ENA Phase 2, either the City or Catellus may choose not to progress to execute an MDA, in which case the City would reimburse Catellus an amount up to the amount authorized for all ENA phases in exchange for deliverables completed to date. The City will maintain ownership of all deliverables and documents produced by Catellus and their consultants in their efforts to advance the development of the Colony Park Sustainable Community during all ENA phases.

Strategic Outcome(s):

Economic Opportunity and Affordability.