



## Recommendation for Action

**File #:** 23-1400, **Agenda Item #:** 4.

3/23/2023

### **Posting Language**

Authorize negotiation and execution of a parking agreement with AMLI Austin Retail, L.P., AMLI Downtown Austin, L.P., and PPF AMLI 421 West 3rd Street, L.P. related to parking validations in the City Hall garage for retail customers connected with the 2nd Street District.

### **Lead Department**

Economic Development.

### **Fiscal Note**

This item has no known fiscal impact.

### **Prior Council Action:**

November 9, 2017 - Council authorized the negotiation and execution of a parking agreement with AMLI Austin Retail, L.P., AMLI Downtown Austin, L.P., and PPF AMLI 421 West 3rd Street, L.P.

December 16, 2010 - Council authorized the negotiation and execution of parking agreement with AMLI Austin Retail, L.P., AMLI Downtown Austin, L.P., and PPF AMLI 421 West 3rd Street, L.P.

September 24, 2009 - Council authorized the negotiation and execution of a Second Amendment to the Disposition and Development Agreement (DDA) with AMLI Austin Retail.

December 15, 2005 -- Council authorized the negotiation and execution of a First Amendment to the DDA with AMLI Austin Retail.

February 12, 2004 -- Council authorized the negotiation and execution of a DDA with AMLI Austin Retail, L.P. for development of the Blocks 2 and 4 retail spaces.

January 27, 2000 - Approval to reconfigure the CSC Retail Spaces on Blocks 2 and 4, to increase the amount of retail space and improve the shell construction of the ground floor retail tenant spaces.

October 26, 2000 - Council approved an Exclusive Negotiating Agreement with AMLI for the purpose of negotiating a Development Agreement for the ground floor of Computer Sciences Corporation (CSC Blocks 2 and 4) and City Hall (Block 3) retail spaces.

### **For More Information:**

Sylvia Holt-Rabb, Director, Economic Development Department, 512-974-3131  
Margaret Shaw, Economic Redevelopment Project Manager, 512-974-6497.

### **Additional Backup Information:**

The action authorizes the negotiation and execution of a Parking Agreement ("Agreement") with AMLI Austin Retail, L.P., AMLI Downtown Austin, L.P., and PPF AMLI 421 West 3rd Street, L.P. for parking privileges for customers of retail tenants on Blocks 2, 4, 20 and 22. The proposed Agreement is Exhibit A and a map of the 2nd Street District (2SD), one of the City's first public-private partnerships, is Exhibit B. The term of this

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Agreement is five years, from April 1, 2023 to March 30, 2028. Public parking for City Council and other official public meetings and events take priority over retail uses allowed at City Hall garage. The current City-AMLI Parking Agreement expires March 31, 2023.

The proposed Agreement and related actions reflect recent Council policy direction regarding City-owned garages. The goals of these changes are to: (1) increase City Hall garage occupancy and revenues to more closely align with private competitors; (2) improve customer service and ease of use by installing modern parking access and revenue control equipment; (3) promote a more consumer-focused validation agreement for 2SD retail partners; and (4) reduce the City's operational costs related to 2SD retail parking. Offering these parking privileges to the City's retail partners also helps preserve the City's investment in 2SD and the success of the 2SD.

Key changes from previous City-AMLI parking agreements are:

- Reduction of validation hours from 120 to 90 minutes for retail customers who purchase goods or services;
- Expansion of validation period from weekdays before 5PM to twenty-four (24) hours each day, seven (7) days a week;
- Removal of 90 complimentary employee parking badges that AMLI assigns to retail tenants. In a related action, AMLI Austin Retail plans to purchase up to 100 parking badges for their retail tenants' employees through the City's Affordable Parking Program, a joint initiative of Austin Transportation and Downtown Austin Alliance to reduce economic barriers to parking for downtown workers and;
- Prohibition on valet parking for AMLI or its retail tenants at City Hall garage.

**Historical Background:** In the late 1980s and early 1990s, community and elected leaders envisioned using City-owned land as means to spur downtown revitalization. Approximately 800 stakeholders met in 1991-92 to outline a vision that would convert a largely industrial and underutilized downtown area to a destination where people could live, work, play, and visit. In a series of legal agreements executed between multiple partners beginning in 2000, the 2SD was created and has transformed six blocks into office, civic, residential, and retail uses. See 2SD map at Exhibit B. The 2nd Street Retail District is bounded by West Cesar Chavez, San Antonio, West 3rd, and Colorado Streets, which encompasses Blocks 2, 3, 4, 20, 21 and 22 of the Original City of Austin. The City owns ground-floor retail spaces on Blocks 2 and 4 (Silicon Labs) and ground leases Block 22 to AMLI. AMLI owns Block 20 and improvements on Block 22 and the ground-floor retail spaces on those blocks. Through agreements with the City, AMLI Austin Retail manages the retail on all four blocks jointly. AMLI manages its parking garages on Blocks 20 and 22 independent of its Parking Agreement with the City. AMLI consistently exceeds the requirement that at least 30 percent of retail tenants are local Austin businesses. A 2020 assessment by an independent consultant for the City found the 2SD generated approximately \$4 million annually in City taxes, compared with \$100,000 in 2000; the assessed property values rose from \$14.4 million in 2000 to \$590 million in 2018.

**Strategic Outcome(s):**

Economic Opportunity and Affordability, Mobility.