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## RESOLUTION NO.

**WHEREAS**, City Council is committed to maximizing community benefits on city-owned property; and

WHEREAS, City Council has provided extensive direction to the City Manager regarding the development of 1215 Red River and 606 E. 12th Street, herein referred to as "HealthSouth;" and

WHEREAS, City Council approved Resolution No. 20181004-042 that directed the City Manager to initiate a solicitation for a mixed income development with affordable housing under 60% Median Family Income (MFI) onsite or within one mile of the property; and

WHEREAS, the City executed an exclusive negotiating agreement (ENA) with Aspen Heights as the preferred developer in May of 2021 to begin negotiation of terms of a Master Development Agreement (MDA); and

WHEREAS, Council directed the City Manager to continue to negotiate with Aspen Heights with a revised term sheet in September of 2022; and

WHEREAS, Council directed the City Manager in September 2022 to "update the City Council on a monthly basis until the City Council has approved the Master Development Agreement," as well as to return to Council for final approval prior to executing the MDA; and

WHEREAS, the ENA with Aspen Heights expired on June 29, 2023; and

**WHEREAS,** HealthSouth remains a critical priority city-owned property for Council; **NOW THEREFORE,** 

## BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF AUSTIN:

The City Council reaffirms its commitment to HealthSouth as a mixed use, mixed income development, with housing affordable to 60% MFI or below to be a top priority onsite and within a mile of the site.

## BE IT FURTHER RESOLVED:

The City Manager is directed to explore the merits of Austin Economic Development Corporation and Austin Housing Finance Corporation as lead negotiators for the HealthSouth redevelopment.

## BE IT FURTHER RESOLVED:

The City Manager is directed to return to Council with a comprehensive report on the site development feasibility based on prior work with the prior negotiations, the findings and recommendation on market feasibility to guide a discussion of Council's goals for this site, and recommendation on next steps for development including the lead negotiator for future discussion and possible action at the September 14, 2023 Council meeting.

ADOPTED:	, 2023	ATTEST:		
			Myrna Rios	
			City Clerk	