



Recommendation for Action

File #: 23-2765, Agenda Item #: 11.

9/14/2023

Posting Language

Authorize the execution of a contract with AAR, Inc. for the structural demolition and proper disposal of improvements located at 1215 Red River Street and 606 East 12th Street, for a total contract amount not to exceed \$471,615.

Lead Department

Economic Development Department.

Fiscal Note

Funding in the amount of \$202,908 is available in the Fiscal Year 2023-2024 Operating Budget of the Economic Development Department and \$268,707 in the Building Services Department Operating Budget.

Prior Council Action:

July 20, 2023 - Council approved Resolution No. 20230720-132 regarding the next steps for the redevelopment of 1215 Red River Street and 606 East 12th Street, the former Health South site.

For More Information:

Sylvia Holt-Rabb, Director, Economic Development Department, 512-974-3131; Susana Carbajal, Deputy Director, Economic Development Department, 512-974-2640; Darrell Alexander, Building Services Officer, 512-974-7948.

Additional Backup Information:

This action authorizes staff to execute a contract with AAR, Inc. (AAR) to demolish and properly dispose of the improvements at the former Health South site. The proposed demolition will expedite redevelopment options and eliminate the annual maintenance cost of the unusable facility. The demolition and removal costs are estimated at \$410,100 plus a 15 percent contingency for a total contract amount not to exceed \$471,615. AAR was selected from three competitive bids received.

The demolition includes the five-story Health South building and the two-tier parking garage. Debris generated will be disposed of properly off site. Slabs and parking areas will be left clear of debris, and the alley will not be impacted. All work will be done in compliance with federal, state, and local regulations, including tree protection and stormwater pollution prevention plans.

The former HealthSouth hospital site is one of the last City of Austin-owned downtown properties designated for redevelopment. For additional information, visit the 1215 Red River project website at <https://www.austintexas.gov/departments/1215-red-river-606-east-12th>.