



City of Austin

Recommendation for Action

File #: 24-3890, Agenda Item #: 17.

2/29/2024

Posting Language

Authorize negotiation and execution of an amendment to the interlocal cooperation agreement with the Austin Economic Development Corporation to provide services to the Austin Convention Center Department for the development project at the Austin Convention Center site for an amount not to exceed \$250,000.

Lead Department

Economic Development Department

Fiscal Note

This has no fiscal impact.

Prior Council Action:

December 11, 2014 - Approved Resolution No. 20141211-122, which directed the City Manager to deliver a feasibility study and timeline for creating an economic development corporation or similar entity to manage economic development projects.

February 16, 2017- Approved Resolution No. 20170216-040, which directed the City Manager to propose an economic development corporation or similar entity to support the development of affordable housing, redevelopment, revitalization and other projects.

May 23, 2019 - Approved Resolution 20190523-029, which, in part, directed City Manager to explore all possibilities related to land leasing, acquisition, and the establishment of public-private partnerships for the Convention Center redevelopment and expansion project.

August 8, 2019 - Approved Resolution No. 20190808-072, which directed the City Manager to initiate the necessary processes to authorize the creation of an economic development entity, identify potential funding sources, solicit stakeholder feedback and, if necessary, contract with subject matter experts to develop an implementation plan.

October 1, 2020 - Approved Resolution No. 20201001-055, which created the Austin Economic Development Corporation (AEDC), a Local Government Corporation under Subchapter D, Chapter 431, Texas Transportation Code; adopted the corporation's Articles of Incorporation and Bylaws; and appointed the initial Board of Directors.

December 23, 2020 - Approved Resolution No. 20201203-010, which amended the Bylaws of the AEDC to include the approved nominating bodies.

June 10, 2021 - Approved negotiation and execution of an interlocal agreement with the Austin Economic Development Corporation to provide assistance in engaging and supporting development projects and leveraging the City's investments or assets to achieve inclusive economic and community development outcomes and priorities, in an amount not to exceed \$15,000,000.

June 10, 2021 - Approved Resolutions 20210610-005 and 20210610-096, approving the Construction

Manager at Risk Methodology for Convention Center redevelopment and expansion, directing the City Manager to ensure that this approval did not preclude a collaboration with the AEDC, and reaffirming the planning principles documented in the Palm District Planning Resolution (Resolution 20195023-029).

For More Information:

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Additional Backup Information:

The idea of a Convention Center expansion has been contemplated and studied for nearly a decade, culminating in City Council approval of the projection in 2019 via an increase in the municipal Hotel Occupancy Tax rate from seven percent to nine percent for the Austin Convention Center redevelopment and expansion project. In June 2021, City Council approved the Construction Manager at Risk methodology for the project delivery and provided direction to ACCD via Council Resolution No. 20210610-005, to look at the possibility of a public-private partnership and collaboration with the Austin Economic Development Corporation.

As a result of the redevelopment and expansion of the Convention Center, there exists an opportunity to utilize certain City property or property interest related to the expansion project for a commercial development that is not only complementary to the operations of the Convention Center, but also can allow the City to meet certain community priorities, while providing an economic benefit to the City.

AEDC will, working on behalf of and in cooperation with the City, facilitate a competitive solicitation for this public-private partnership opportunity. In addition to assisting with the solicitation process, to the extent the City requires it, the AEDC may also provide additional support services to the Convention Center Department related to the public-private partnership.