



City of Austin

Recommendation for Action

File #: 25-0921, **Agenda Item #:** 12.

5/22/2025

Posting Language

Authorize negotiation and execution of an amendment to the interlocal agreement with the Austin Economic Development Corporation d/b/a Rally Austin to deliver inclusive economic and development outcomes to provide up to an additional \$1,500,000 of City funding to Rally Austin for a total agreement amount not to exceed \$39,740,000 and adding a project to the list of bond funded projects. Funding: \$125,000 is available in the Fiscal Year 2024-2025 Operating Budget of the Economic Development Department, \$708,536 is available in the Capital Budget of the Economic Development Department, and \$9,730 is available in the Capital Budget of the Austin Convention Center Department.

Lead Department

Financial Services Department

Fiscal Note

Funding in the amount of \$125,000 is available in the Fiscal Year 2024-2025 Operating Budget of the Economic Development Department.

Funding in the amount of \$708,536 is available in the Capital Budget of the Economic Development Department.

Funding in the amount of \$9,730 is available in the Capital Budget of the Austin Convention Center Department.

Remaining funding is contingent upon available funding in future budgets.

Prior Council Action:

June 10, 2021 - Council authorized 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.

For More Information:

Diana Thomas, Deputy Chief Financial Officer, Financial Services Department, 512-974-1166; Meghan Wells, Special Liaison for Economic Development and Culture, 512-974-9314.

Additional Backup Information:

This action seeks to increase the amount of funding provided by the City to Rally Austin (formerly known as the Austin Economic Development Corporation) through an amendment to the existing interlocal agreement (ILA) for the following:

- \$708,536 to be spent on the planning, development, and build-out of the creative space to be located at the City's Permitting and Development Center;
- \$375,000 for financial support to improve community access and hours of operation at the creative space to be located at the City's Permitting and Development Center, as part of the City's Artist Access

Program;

- \$9,730 for services provided by Rally to the City's Convention Center expansion project; and
- \$406,734 for services currently authorized by the ILA, subject to further Council approval if necessary.

In addition to increasing the total contract amount of the ILA, this action would add a project to the list of projects approved by Council on July 18, 2024.

On July 18, 2024, Council authorized Rally Austin to use up to \$5,100,000 of cultural art bond funds, approved by the voters in 2018, on the Museum of Human Achievement and the Block 18 Creative/Cultural Venue. This item would add the planning, development, and build-out of the creative space to be located at the City's Permitting and Development Center to the list of authorized projects for which Rally Austin is authorized to use the \$5,100,000 of cultural art bond funds.