



City of Austin

Recommendation for Action

File #: 24-4964, **Agenda Item #:** 15.

7/18/2024

Posting Language

Authorize the use of up to \$5,100,000 of proceeds from bonds approved by voters in 2018 under Proposition B (Libraries, Museums & Cultural Arts Facilities) by the Austin Economic Development Corporation for cultural trust projects and real estate transactions, subject to final allocation as determined by the Austin Economic Development Corporation Board of Directors.

Lead Department

Economic Development Department.

Fiscal Note

Funding is available in the Capital Budget of the Economic Development Department.

For More Information:

Sylnovia Holt-Rabb, Director, Economic Development Department, 512-974-3131; Theresa Alvarez, President and CEO, Austin Economic Development Corporation, 512-844-2972.

Council Committee, Boards and Commission Action:

July 10, 2024, AEDC Board approval.

Additional Backup Information:

The City is partnering with the Austin Economic Development Corporation (AEDC) to achieve several shared goals, including broadening community access to vital programs and strengthening cultural arts, music, and theatre. In 2021, AEDC issued a request for proposals from cultural arts organizations pursuing funding from the Cultural Trust Fund, which resulted in six projects identified to receive funding, including the two outlined in this recommendation.

The objectives of these projects are to improve infrastructure for long-standing institutions serving the community by enhancing the production of arts/music/culture through a variety of organizations and bringing experienced expertise to managing publicly accessible and affordable community arts facilities.

In accordance with the interlocal agreement with AEDC, City Council must approve the expenditure of any proceeds from Proposition B of the 2018 Bond. By approval of this item, Council approves the use of bond funds for the following expenditures:

The Museum of Human Achievement

The Museum of Human Achievement (MoHA) facility includes a multi-building performing arts campus, outdoor performance and seating areas, creative workspaces, as well as parking and support services. The project includes improvements to the existing main building, mechanical, electrical, and plumbing upgrades, remodeled interior spaces, and related site improvements.

MoHA is a 12-year-old organization seeking to purchase the property it occupies, an approximately 1.3-acre parcel located at 3600 Lyons Avenue. Following the purchase by MoHA, the proposed real estate deal

includes:

- A 40-year ground lease of the property to AEDC,
- A 40-year sublease of the property back to MoHA,
- A development, construction, and funding agreement between AEDC and MoHA, and
- A 40-year facility management agreement between MoHA and AEDC, and other necessary documents.

If MoHA decides to acquire and improve a different parcel, without materially changing the project's scope of work or creative facility objectives, continuation of this project will be subject to approval by the AEDC Board.

Block 18 Creative/Cultural Venue

The Block 18 Creative/Cultural Venue is part of the future development of Block 18 as directed by Resolution No. 20210902-048. AEDC facilitated a request for proposals process to identify a development team for the 'Blocks 16 & 18' mixed-use project aligning with the Urban Renewal Plan, building off an extensive multi-year community engagement process. The property will include affordable housing in a variety of housing layouts, affordable and community supportive retail/commercial, as well as a cultural venue. The developer was required to provide a minimum of 20,000 SF towards a Creative/Cultural Venue on the property in alignment with Resolution No. 20210902-48.

Council will see an additional Recommendation for Council Action on the July 18, 2024, agenda. Once Council approves negotiation and execution of an agreement with a qualified applicant for the mixed-use development, the Urban Renewal Board and the AEDC will finalize an Exclusive Negotiating Agreement with a development team, and then a Ground Lease/Development Agreement for the property that will finalize the specific real estate financial structure for the Creative/Cultural Venue.

The remaining funding allocation, subject to final negotiation, is anticipated to contribute to the purchase of a condominium within this development that will act as a Creative/Cultural Venue. This property will be wholly owned by the City, or AEDC its agent in the Cultural Trust, aligning with all pertinent legal requirements for the use of the bond funds.

By this action, Council will allow the AEDC Board to determine the final division of the allocation of funds for the different aspects of the transactions described above to be discussed and acted upon in public meetings.