



City of Austin

Recommendation for Action

File #: 25-2482, **Agenda Item #:** 16.

12/11/2025

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 clarify Rally Austin's authority in real estate development, project financing, and public-private partnerships, and streamlining processes for more effective project execution. Funding: This item has no fiscal impact.

Lead Department

Austin Financial Services

Prior Council Action:

June 10, 2021 - Council authorized an Interlocal Agreement with the Austin Economic Development Corporation d/b/a Rally Austin 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, (512) 974-1166; Meghan Wells, Economic Redevelopment Program Manager, (512) 974-9314.

Additional Backup Information:

In October 2020, the City created the Austin Economic Development Corporation (AEDC), a local government corporation and 501(c)(3) non-profit which operates today as Rally Austin. Statutorily established under Chapter 431 of the Texas Transportation Code, Chapter 394 of the Texas Local Government Code, and the Texas Nonprofit Corporation Law, the corporation is organized for the purpose of aiding and acting on behalf of the City in the performance of the City's governmental functions to accomplish any governmental purpose of the City.

Since that time, Rally Austin has built a portfolio of real estate projects that leverage public-private partnerships and resources to produce transformative outcomes, including greater community access and affordability. Rally Austin works closely with City departments, Boards and Commissions, its own Board of Directors, the private sector, and community stakeholders to advance Austin's housing, cultural, and economic development goals.

In assessing the first five years of Rally Austin's operation, the City and Rally Austin agree that re-examining the terms of the current Interlocal Agreement would ensure that Rally Austin is operating in its most effective capacity to generate long-term sustainability and community benefits on behalf of the City.

The term sheet in backup for this item outlines a framework to redefine the partnership between the City and Rally Austin. It seeks to clarify Rally Austin's authority in real estate development, project financing, and public-private partnerships and streamlining processes for more effective project execution. This item request authorization to negotiate and execute an amendment to the current Interlocal Agreement in accordance with the term sheet to better position Rally Austin to deliver high-impact community benefit projects, drive equitable development, and serve as a partner in advancing the City's long-term goals.