

## **TERM SHEET**

### **Interlocal Agreement Between the City of Austin and Rally Austin**

#### **Parties**

- City of Austin, a Texas home-rule municipality (“City”)
- Rally Austin, a nonprofit local government corporation (“Rally”) established by the City in 2020

#### **Legal Authority**

- Chapter 431, Texas Transportation Code
- Chapter 791, Texas Government Code (Interlocal Cooperation Act)

#### **Structure**

- Rally is a separate legal entity, acting on behalf of the City in real estate development projects.
- Rally Austin may also enter into independently operating interlocal agreements with other public agencies within Central Texas to advance collaborative economic and community development outcomes.
- This ILA serves as a Master Agreement, enabling the City of Austin to access Rally’s services for mission-aligned projects. The ILA sets forth the priorities, parameters and outcomes of Rally’s activities on behalf of the City.

#### **Purpose & Mission**

- Rally will be given opportunity to propose purpose-driven redevelopment and financing projects, with stewardship of public, private, and nonprofit real estate assets to deliver inclusive community and economic development benefits, including but not limited to: affordable housing, anti-displacement, cultural and creative spaces, catalytic commercial projects, and other City priorities.

#### **Governance**

- **Board:**
  - Rally is governed by an independent Board of Directors appointed by the Austin City Council, pursuant to its Articles of Incorporation.
- **Oversight:**
  - City Council oversight is through Board appointments and broad policy guidance.
- **Board Composition:**
  - The City shall maintain a minimum of one (1) and a maximum of four (4) Board seats at all times.

#### **City’s Duties**

- **Partner Status:**
  - City designates Rally as its “first look” evaluator for cultural and community-related economic development initiatives.
- **Policy Setting:**
  - City sets broad policy goals.

- **Support:**
  - City may provide funding and/or property assets.

### **Rally's Powers & Authority**

- **Scope of Powers:**
  - Rally may acquire, develop, lease, and sell property; enter into contracts; invest and loan funds; issue revenue bonds or debt; and form subsidiaries/joint ventures and any other functions under its legal authority.
- **Umbrella Structure:**
  - Rally may create or acquire subsidiaries, partnerships, or affiliated entities to support development initiatives.
  - The City and Rally may jointly evaluate the transition or inclusion of existing public development entities under the Rally Austin “umbrella” to streamline collaboration, reduce duplication, and leverage existing capacity.
  - Rally may also serve as the primary managing entity for programs delegated by other public agencies.
- **Operational Independence:**
  - Rally may exercise these powers independently except where City action is legally required or a project agreement determines an alternative process/expectations.

### **Project Initiation & Approval**

- **Council Approval Required:**
  - City Council approval shall only be required for actions where such approval is explicitly required by law.
- **Board Approval:**
  - All project approvals, including initiation, structuring, and implementation, shall be delegated to Rally Austin’s Board of Directors.
  - Rally’s Board may initiate/approve projects consistent with its mission.
- **Delegated Authority:**
  - Council votes only on specific aspects requiring approval; project plans are not subject to further Council review.
  - To enable responsive and efficient delivery for community-based development initiatives such as affordable housing and community benefit projects, Rally projects shall not be subject to separate City milestone or checkpoint reviews once approved through this structure, except as contractually or statutorily required.

### **Property & Asset Management**

- **Property Title:**
  - Rally may hold title to real property for development or redevelopment.
- **City Conveyance:**
  - City may convey or lease property to Rally, subject to Council/Budget approval.
- **Disposition Authority:**
  - Rally may negotiate terms for development or disposition consistent with agreed goals after acquisition.
- **Revenue Generation:**

- Rally controls naming rights, revenue, and reinvestment of proceeds into Austin projects.

### **Project Implementation**

- **Equity of Authority:**
  - City will equip Rally with authorities and privileges necessary for regional continuity and parity with comparable agencies.
- **Regulatory Support:**
  - Eligible regulatory and fee waivers may be considered by City Council for Rally projects or as incentives in public-private partnerships in concert with community-based objectives or initiatives.

### **Financial Model**

- **City Funding:**
  - Rally may receive appropriated City funds for operations or specific projects.
- **Revenue Generation:**
  - Rally may generate, retain, and reinvest revenues from its projects and services, in accordance with State requirements, to support capacity building, with the expectation of becoming self-sustaining.
- **Debt Issuance:**
  - Rally is authorized to issue revenue bonds or other debt, secured solely by project revenues/assets. The City Manager may consider limited guarantees, subject to separate Council-approved terms.
- **Liability:**
  - City assumes no liability for Rally's obligations; Rally's finances are kept separate and reported as a discretely presented component unit.
- **Fund Management:**
  - Rally may manage, invest, and administer funds in accordance with state law.
- **Additional Funding:**
  - Rally may seek or accept grants, philanthropic funding, and private contributions without City approval. The City will consider requests to support positioning Rally as a recipient and facilitator of such funding opportunities.

### **Operations & Administration**

- **Administrative Autonomy:**
  - Rally establishes its own procurement, hiring, and contracting policies.
  - Rally must comply with applicable Federal, State of Texas, or Local laws.

### **Reporting, Oversight & Accountability**

- **Annual Report:**
  - Rally submits an annual report to City Council and City Manager, detailing project outcomes, achievements, financial performance, and upcoming plans.
- **Audit:**
  - Rally undergoes an annual independent audit; results provided to the City by the City's established due date and made public.

- **Briefings:**
  - Rally provides periodic updates/briefings to City officials as requested, without participating in City policy matters.
- **Transparency:**
  - Key decisions are made in open meetings; records are made available to the public.

### **City Support and Coordination**

- **City Liaison:**
  - City designates a liaison as Rally's main point of contact until the relationship is fully institutionalized.
- **In-Kind Support:**
  - City may provide in-kind support (e.g., data, office space) during Rally's start-up phase.
- **Cooperation:**
  - Both parties commit to ongoing cooperation and timely issue resolution.
  - The City will collaborate with Rally to establish tailored land development standards, expedited permitting procedures, and streamlined processes equivalent to those available to comparable public development entities or financing entities and agreements between other public, private and non-profit entities with the City.