

MEMORANDUM

TO: Austin City Council Members & City Manager

FROM: Theresa Alvarez, CEO & President 
Austin Economic Development Corporation

DATE: February 15, 2023

SUBJECT: Annual Update from Austin Economic Development Corporation

On behalf of the Austin Economic Development Corporation (AEDC), please accept the 2022 annual report as required by [Interlocal Agreement with the City of Austin](#), executed August 25, 2021. The City of Austin created the Austin Economic Development Corporation, a local government corporation that would support the City as a public real estate developer, to address increasing pressures of rising real estate prices on affordability, equity, and the City's iconic venues/small businesses. In this memo you will find an overview of our refined board governance, staff development, project accomplishments and a financial overview for AEDC's 2021-2022 fiscal year (FY22). Since AEDC's creation by Council in December 2020, and having added three full time staff members by February 2022, this has been the first fully operational year in the organization's history, and much has been accomplished!

AEDC's year was spent setting up the operational/financial infrastructure, advancing initial projects, adjusting budgets/projections, exploring new opportunities and strategic planning for the long-term success of the organization. The AEDC board and staff worked diligently to set up effective board committees and internal policies and procedures. The AEDC staff also invested time benchmarking with peer EDC's across the country, discussing best practices, which has been valuable in determining the structure for future initiatives and potential revenue for the AEDC.

While simultaneously working on advancing projects, significant time was spent working on the vision, mission, equity statements and a decision-making matrix to determine future projects. We are excited to share the outcome of the AEDC strategic planning work and look forward to discussing with Council and City Manager.

In the financial section below, you will find more details about our financial position and the audit requirements. As a start-up organization, we invested time understanding the initial organizational financial projections created by consultants in 2020 and had to significantly amend them to reflect current reality and near-term expectations. There are proven models of how EDC's can deliver community

benefits and be fiscally sustainable, but it will require further investment on behalf of the City in the near-term to solidify the organization’s operating capacity and by trusting public real estate assets to the corporation. The AEDC needs time to complete successful projects so that interlocal agreements can be executed with other public entities, which will eventually diversify revenue.

Board Governance

AEDC is governed by twenty-one board members who are nominated by their respective nominating bodies (each seat representing a key expertise) and approved by Council. A full list of board members and their bios is attached for reference. Council approved the nominees to the first full board of AEDC in March 2021 ([Resolution 20210325-026](#)). In March 2022, officers were elected to lead the following committees.

The FY22 executive committee included the following seven board members:

Committee:	Led by:	Nominating Body
Executive Committee	Board Chair, David Steinwedell	Urban Land Institute
Strategic Planning	Vice Chair, Carl Settles	Arts Commission
Finance Committee	Treasurer, Tina Cannon	DECA
Governance	Secretary, Xavier Pena	Downtown Alliance
Diversity, Equity, and Inclusion	Dr. Suchitra Gururaj	University of Texas
Real Estate Committee	Matias Segura	Austin ISD
Past President	Rosie Truelove	City of Austin

AEDC board members are regular participants on project-based committees such as the Cultural Trust Advisory Committee and the Urban Renewal Partnership Working Group.

2023 AEDC Board Renewals/Nominees include:

Renewals:

- David Steinwedell, Urban Land Institute (ULI)
- Tina Cannon, Diversity & Ethnic Chamber Alliance (DECA)
- Sharmila Mukherjee, Capital Metro
- Jeremy Martin, Greater Austin Chamber of Commerce

New Nominee:

- Brad Stein, Real Estate Council of Austin (RECA)

Staff Development

AEDC currently consists of a four person, highly skilled staff with the support of seven professional development contracts:

- Theresa Alvarez, President and Chief Executive Officer (February 2022)
- David Colligan, Chief Operating Officer (February 2022)
- Anne Gatling Haynes, Chief Transactions Officer (September 2021)
- Fred Evins, Senior Project Manager (September 2022)

The following professional development contracts are under the management of AEDC:

- | | |
|---|--|
| • Legal: Winstead PC | • Banking: Frost Bank |
| • Financial: Virtual Chief Financial Officer (VCFO) | • Bookkeeping: Economic Growth Business Incubator (EGBI) |
| • Community Engagement: Public City | • Strategic Planning: HR&A |
| • CPA: Montemayor, Britton, Bender PC | |

Project Update

AEDC reports progress on the Cultural Trust, E. 11th blocks 16 & 18 and I-35 Connecting Equitably projects, with the support of the City of Austin Economic Development (EDD), Housing and Planning (HPD) and the Corridor departments. We have worked closely with other City departments and commissions including Finance, Equity, Parks, Strategic Facilities, Urban Renewal Board, Arts Commission, Music Commission and the South Central Waterfront Advisory Board.

Project Name	Description	Achievements
Cultural Trust	AEDC is administering a new program for the City of Austin, to identify projects that preserve existing venues while facilitating the development of new affordable spaces for creation, innovation, practice, and exhibition/ performance.	<ul style="list-style-type: none"> • Request for Proposals closed March 31, 2022 with 45 applicants • Evaluation and identification of 14 projects advanced to Feasibility Phase on June 30, 2022 • City Council approved first 2 Bond funded projects on Dec. 8, 2022
Urban Renewal Plan-East 11 th Street Blocks 16 & 18	Aligned with the principles and goals of the African American Cultural Heritage District, and the Urban Renewal Plan, AEDC is facilitating the disposition of two parcels into signature mixed-use developments.	<ul style="list-style-type: none"> • Held 6 community engagement conversations to review, validate and prioritize community goals • Assessed development potential of 2 blocks through 4 scenarios, and reviewed market feasibility of the various options
Equitable Development Strategy for Our Future 35 project	Coordinating with the City of Austin’s primary consulting team, AEDC is identifying and developing implementation strategies for projects for future development on the ‘caps ‘ along the corridor of the I-35 expansion.	<ul style="list-style-type: none"> • Engaged planning and economic feasibility team. • Initiated work to define equitable development for this project with Stakeholder Group organized by the Corridor Office • Coordinating with lead consulting team on strategy for the caps and stitches
South Central Waterfront	TIRZ Management; Leveraging public-private partnerships, tools and programs in the redevelopment of this 118-acre area to realize a vision of accessible economic and community benefits over next 20 years.	<p><i>The scope is being defined as the TIRZ district Final Project Plan is written.</i></p> <ul style="list-style-type: none"> • Benchmarking TIRZ management structure and practices • Met monthly with SCWAB chair • CEO presented to SCWAB Aug. 15, 2023

Financial Overview

As required in the interlocal agreement, a full audit and 5-year projections are required for the annual report. A full audit was conducted for the fiscal year ending September 30, 2022 (FY22). We are pleased to report a clean audit and more realistic projections. See both attached for your review.

The initial 2020 financial projections for the AEDC were overstated and based on theoretical program/project initiatives that would yield revenue sooner than what was actually feasible. With the inaugural staff, much time has been spent to modify the budget to reflect current conditions. Donations, bond issuance fees and transactions fees were projected revenue that could not come to fruition in FY22. Due to Covid delays, IRS didn’t approve the AEDC’s 501c3 request in 2022. Even if IRS had approved the request, philanthropic investments take time to build relationships with potential funders and a multi-year balance sheet and a track record of success is required. In the projections, you will find AEDC plans to assemble a diversified revenue structure, including philanthropic donations with aggressive doubling in the first 4 years. The 2020 assumptions also assumed that AEDC would immediately issue bonds, without a ready pipeline of projects for which to issue bonds, and that AEDC would be conveyed public

land for development, which would lead to future transaction fees and revenue. Both activities projected will take time to yield desired results.

FY23 is the last \$700K payment of the 3 years of start-up funding committed by the City of Austin to AEDC, based on the initial commitment to the organization in 2020. In Council's budget meetings in August 2022, the AEDC requested multi-year operational funding, which resulted in Council's approval of a one-time \$1 million investment. You will find the total of \$1.7 million in the FY23 projections. AEDC needs a diverse set of revenues that are anchored by reliable and consistent funding to make sure that we have a baseline staff with professional expertise, and operational resources, in order to remain nimble, flexible, and productive.

For the Cultural Trust, we advanced 14 projects to a Due Diligence and Feasibility Phase without resources sufficient to complete the phase efficiently. The program did not initially identify program management and administration funds, which has taken the last year to identify and advance to AEDC. AEDC had to spend operational funds to support the significant staff time this program required. All project expenses for final negotiation will be on a reimbursement basis, which will be challenging with our limited operational reserves. Although some of the projects will have a program delivery fee, these will be marginal and inconsequential due to the size of projects, and needing to use that money for an asset management start-up reserve. Cultural Trust projects will require years to be built out, and adequate program management funding is needed on a multi-year basis. This program was not expected to be a revenue generator for the AEDC, but to provide significant community benefit.

For the Urban Renewal Project, and Equitable Development Strategy for I-35, we have received initial supporting fees from the sponsoring departments, primarily to cover professional services, however our staff time has exceeded the administrative fees available through those contracts, due to the significant number of meetings and stakeholders needing to be engaged in the project. At the close of the land disposition to the developer, for the Urban Renewal Project, it is anticipated that there will be a transaction fee (for complete services rendered), projected for FY25 and FY26. We have advanced this project as quickly as possible, but do not control the timing on all factors that will lead to the final agreement with developer and therefore the transaction fees. Larger real estate projects may contain beneficial transaction fees that will help support AEDC long-term, but despite best efforts by the organization, the timing for receiving those fees is highly variable and difficult to project.

The South Central Waterfront TIRZ management 10-year contract was the main part of initial sustainable funding identified for the organization. The capture rate was set by Council December 2022 and a contract with the AEDC still needs to be negotiated in FY23, while pending the finalization of a regulatory plan, a final financial plan, and subject to Council approval. This contract would support administrative work for the TIRZ and related employees working on the TIRZ. It will also provide a stable source of income to offset the less reliable real estate transaction fees and philanthropic donations.

Next Steps

The AEDC staff requests meeting with you to discuss the content of the annual report and future funding needs. Thank you for your continued support of the of AEDC, including the time and energy you devote to enhancing an inclusive Austin. Should you have any questions, please contact me at 512-844-2972 or theresa@austinedc.org.

Attachment(s): AEDC Annual Report, Presentation

The cover features a blue-tinted photograph of a busy city street. In the background, the Texas State Capitol building is visible. A bus with the destination '163 METRO AIRPORT' is in the middle ground. People are walking on the sidewalk, and a bicycle is in the foreground. The text is overlaid on the right side of the image.

Austin Economic Development Corporation

Annual Report

February 2023



Theresa Alvarez
AEDC President
and CEO

AEDC Gains Momentum

As a start-up local government corporation non-profit, the AEDC is proud to report the following summary of accomplishments for FY22:

- Secured 3 full-time staff members by February 2022
- Implemented board committee structure
- Worked on AEDC Mission, Vision and Equity statements
- Executed contracts with City for Addendums 4 & 5 (Housing and Corridor Offices)
- Build relationships with City departments, boards, commissions and Council offices
- Secured short-term funding from Council for FY23
- Met regularly with Strategic Facilities Group
- Positive findings from the first financial audit
- Secured diverse board, team, leadership or minority owned firms for eight of the ten current service providers
- Began conversations of interlocal agreements with other government entities

Project Accomplishments

- ▶ Creation of the **Cultural Trust Advisory Committee** allowed for the promotion of the Cultural Trust Request for Proposal, which resulted in **45 applications**. 14 projects advanced to a Due Diligence and Feasibility Phase June 30, 2022.
- ▶ Hosted 13 virtual and 4 in-person forums, over 50 hours of office/open hours, videos having been viewed by over 300 users, while attending more than 12 City of Austin Board and Commission meetings - amplifying the organization's work and **community engagement**.
- ▶ Began facilitating redevelopment of two city blocks in the **Urban Renewal Plan on E. 11th**; developed a very personalized approach to engagement with various communities that will be impacted by this future project.
- ▶ As we engage further on the **Equitable Development Strategy for the 1-35 Expansion**, or in the future work within South Central Waterfront, our approach is centered around relationships and amplifying community voices as a part of the project workflow, and ultimately outcomes.

Positive Media Coverage of AEDC Projects Advancing

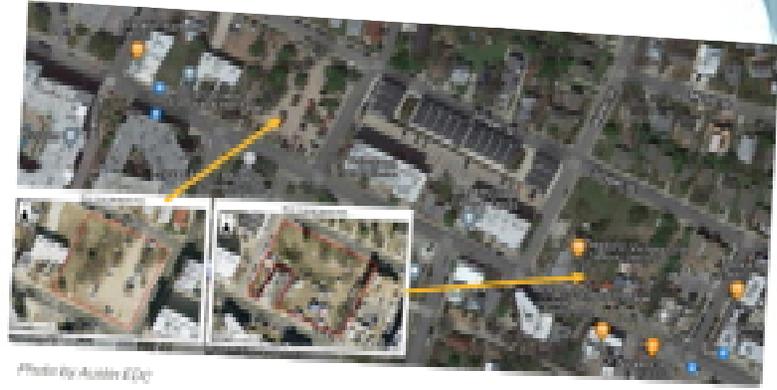


Photo by Austin EDC

City seeks developer to partner on transformation of two historic blocks

THURSDAY, AUGUST 14, 2020 BY STEVE...
 Over the next three months, the result is a development plan for

This week's Community Development Corporation on its

Greater Tech...
 Austin City...
 City of Austin...
 the Office of...
 interested...
 members...
 visited all...
 residents of



Photo by Austin EDC

Feedback fueling progress on redevelopment of blocks 16 and 18 downtown

THURSDAY, SEPTEMBER 10, 2020 BY CHRIS...
 Residents along the western edge of downtown Austin have had many... through the years to share their thoughts about how the city should redevelop two blocks... with not a lot to show for it. But thanks to the new... body leading the development process, now... change is afoot with a request for proposals expected to be completed by the end of the year and private developers submitting their plans for evaluation next year.

An ongoing... and virtual community... on Friday are two of the ways the Austin Economic Development Corporation is gathering ideas for how best to use the blocks with... that stretch from the Walker Street. Through the years, the mostly vacant parcels... which are named by the city's Urban Renewal Board, have been identified as a preferred location for creative space, affordable housing and retail including a grocery store.

The limited storage of the two blocks will limit what can be built there using private financing... as well as a variety of tax credits to offset public money.

Anna Collins Haynes, chief transaction officer for the EDC, said the feedback sessions and interviews mostly to... the neighborhood needs that residents have expressed the years of sustained redevelopment talks.



Photo by Texas Film Commission

Millennium Youth complex among first sites considered for creative space bond funds

WEDNESDAY, DECEMBER 2, 2020 BY GREG...
 The Millennium Youth Entertainment Complex may be one of the first two sites to receive some of the city's \$10 million in bond funding for creative space preservation.

AEDC Strategic Planning

Approved by AEDC board of directors 2/13/2023

AEDC's NEW MISSION STATEMENT

The Austin Economic Development Corporation (AEDC) stewards public and private real estate assets to create inclusive community benefits and equitable economic outcomes for Austin.

AEDC's NEW VISION STATEMENT

The Austin Economic Development Corporation (AEDC) envisions a culturally resilient and economically integrated Austin where diverse communities can thrive and prosper without risk of displacement.

AEDC's NEW EQUITY STATEMENT

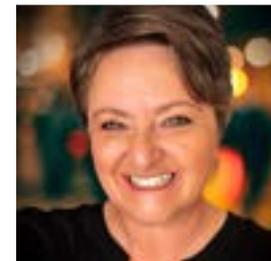
The Austin Economic Development Corporation (AEDC) is committed to closing the racial wealth gap by centering historically marginalized communities in our work, holding our collaborators and ourselves accountable to build an equitable and inclusive Austin.

AEDC Board Committees & Leadership

In April 2022, the AEDC board established a committee structure with an Executive Committee, made up of officers each committee leading a committee. Further, the board delegated decision-making authority with certain levels of discretion to the Executive Committee to support expedited administrative functions and transactions.

Executive Committee Members include:

- ▶ Board Chair: David Steinwedell
- ▶ Board Vice Chair: Carl Settles chairing the Strategic Planning Committee
- ▶ Board Treasurer: Tina Cannon chairing the Audit and Finance Committee
- ▶ Board Secretary: Xavier Peña chairing the Governance Committee
- ▶ Immediate Past Board Chair: Rosie Truelove
- ▶ Matias Segura chairing the Real Estate Committee
- ▶ Suchitra Gururaj supporting Diversity, Equity and Inclusion framework for all committees



*Board Member and Meeting Schedule included in the Appendix of this document.



Experienced AEDC Team

The collective experience of the AEDC staff exemplifies the holistic and comprehensive vision for the organization. The team brings more than 80 years of experience supporting economic and community development initiatives.

AEDC staff includes:

- ▶ Theresa Alvarez, President and CEO
- ▶ Anne Gatling Haynes, Chief Transactions Officer
- ▶ David Colligan, Chief Operating Officer
- ▶ Fred Evins, Project Manager provided by EDD

Additional organizational resources:

- ▶ Outside Legal for General, Real Estate and Financial Counsel
- ▶ Outside bookkeeping, CPA and finance services
- ▶ Contracted consultants for strategic planning

Additional staff and resources are attained as needed to address the timely execution of work and service to the community.





Program of Work

Cultural Trust for Creative Spaces: Hardwiring the soul of our city into its development and growth through the integration of a diverse, affordable, and dynamic arts, culture, and music scene in Austin. Preserving existing venues while facilitating the development of new affordable spaces for creation, innovation, practice, and exhibition/performance.

- ▶ **Creative Space Assistance Program (CSAP):** Supporting City of Austin Economic Development Department grant delivery through technical advisory of real estate and space knowledge for culture, arts and music applicants .

Urban Renewal Plan– Blocks 16 & 18: Aligned with the principles and goals of the African American Cultural Heritage District, and the Urban Renewal Plan, facilitating the disposition of two parcels into signature mixed-use developments that provide thriving small businesses, cultural anchors and distinctive affordable housing that reinforce the cultural identity of the district.

I-35 – Connecting Equitably: Through an Equitable Development Strategy, identifying and developing implementation strategies for projects that would help connect across a historic tear in the city fabric, help align community facing uses and needs to future development, and mitigate potential displacement along key nodes of the I-35 expansion corridor. This work is coordinated with the City of Austin’s lead design team of the ‘Cap and Stitch’ proposal, providing inclusive and equitable development strategies and to secure the unique fabric of East Austin.

South Central Waterfront District: Leveraging public-private partnerships, tools and programs in the redevelopment of this 118-acre area to realize a vision of accessible economic and community benefits over next 20 years. Final scope to be determined.

Public Asset Inventory: Assessing existing resources and future opportunities from the City and across AEDC’s affiliate organizations to drive more collaborative and inclusive development. Final Scope to be determined

**Current Program of Work with additional detail included in the Appendix of this document.*

Strategic Project Evaluation

Criteria for Project Consideration

1. Mission Alignment
2. Community Priorities
3. Community Benefits
4. Measurable Impact
5. Economic Benefits and Return on Investment for the Asset Holder
6. Emerging Project in AEDC Portfolio or Pipeline

What AEDC Brings to the Project

1. Equity as Guiding Principle
2. Speed, Agility and Efficiency for Addressing Opportunities
3. Real Estate Expertise from the Organization
4. Financial Sustainability for the Project
5. Collaboration of Partners, Stakeholders and Communities
6. AEDC Lending Organizational Leverage

*Strategic Project Evaluation Matrix from the Strategic Planning effort included in the Appendix of this document.

AEDC Reports Clean Audit for FY22

A full audit was conducted by Montemayor Britton Bender PC. The City of Austin's Economic Development Department contributed additional funding to support the shared audit. The full audit will be attached to the annual report; however, a summary is provided below.

The audit consists of two parts—management's discussion and analysis and the basic financial statements. The basic financial statements include two kinds of statements that present different views of AEDC. The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data.

Management discussion and financial analysis concluded the following:

- Audit of Internal Control revealed initial stipends to support employee benefits resulted in a taxing error. Staff is working with the payroll platform to correctly enter the payments and remedy the tax report.
- The audit of Accounting Policies reported no deficiencies, stating all significant transactions have been recognized in the financial statements in the proper period.
- Audit of Accounting Estimates reported no deficiencies with trivial misstatements identified during the audit.
- The audit reported no Difficulties Encountered in Performing the Audit or significant Disagreements with Management on findings or conclusions.
- Very fairly captured the Economic Factors, Future Years' Budgets, highlighting internal and external impacts for the sustainability of the startup organization.

*Financial Audit Report included in the Appendix of this document.

AEDC Income Statement Summary

January 1 - September 30, 2022

Income/Expenses	Totals
City of Austin (COA) Seed funding	<u>700,000</u>
Total Income	700,000
Wages & Benefits	481,055
Banking, Accounting, Insurance	24,083
Legal and Professional Services	<u>169,960</u>
Total Expenses	675,098
Net Income	24,902

\$440K for projects was received from COA end of FY22 and will be spent in FY23 for pre-development services on E. 11th and Connecting Equitably projects.

STATEMENT OF NET POSITION AND GOVERNMENTAL FUNDS BALANCE SHEET

30 SEPTEMBER 2022

	Governmental Fund <u>General Fund</u>	<u>Adjustments</u>	Government- wide Statement of Net Position
ASSETS			
Cash	\$289,412		\$289,412
City of Austin awards receivable	<u>90,421</u>		<u>90,421</u>
	<u>\$379,833</u>		<u>379,833</u>
LIABILITIES AND FUND BALANCE/NET POSITION			
Liabilities			
Accounts payable	\$24,768		24,768
Payroll liabilities	2,840	74,651	77,491
Deferred revenue	<u>286,225</u>		<u>286,225</u>
	313,833		<u>388,484</u>
Fund balance			
Unassigned	<u>66,000</u>	(66,000)	<u>0</u>
	<u>\$379,833</u>		
Net position			
Unrestricted		(8,651)	<u>(\$8,651)</u>

Five-Year Projections

This is a high-level summary of the AEDC's 5-year projections, with assumptions to follow on next slide. A detailed spreadsheet is included in the appendix.

INCOME/EXPENSES	2023	2024	2025	2026	2027
REAL ESTATE INCOME/BOND FEES	\$75,000	\$40,000	\$500,000	\$750,000	\$900,000
GRANTS	\$50,000	\$100,000	\$200,000	\$400,000	\$500,000
CITY OF AUSTIN (GF, CT, TIRZ)	\$2,025,000	\$1,725,000	\$1,400,000	\$1,150,000	\$1,050,000
OTHER PUBLIC ENTITIES	\$0	\$0	\$0	\$0	\$300,000
TOTAL REVENUE	\$2,150,000	\$1,865,000	\$2,100,000	\$2,300,000	\$2,750,000
OPERATING & PROGRAM EXPENSES	\$1,427,778	\$1,753,760	\$2,072,465	\$2,279,879	\$2,492,080
NET INCOME	\$722,222	\$111,240	\$27,535	\$20,121	\$257,920

Five Year Projection Assumptions

AEDC staff maintained a conservative position and outlook when creating the five-year financial projections.

The following are assumptions used in the development of the five-year financial projections:

- ▶ Transaction timeline is highly dependent on various variables and additional parties, the timing is estimated and not predictable.
- ▶ Salaries and Wages are based on current employment, plans for future hiring and anticipated compensation rates for future hires. Projections allow AEDC to gradually grow employees to 11 by 2027.
- ▶ Operational costs initially high but temper downward once investment in long-term solutions onboarded.
- ▶ All fees in FY23 are based on currently anticipated projects underway, and projects are successfully negotiated, as currently structure and approved by City Legal.
- ▶ The transaction fee is a standard percentage based on project value and will transpire at either the closing of a lease (no capital improvements) or at the completion of a capital improvement project.

Next Steps

Fiscal Year 2022-2023 Funding Request

- ▶ Annual operational funding as demonstrated in 5-year projections
- ▶ Multi-year funding model for the Cultural Trust
- ▶ Identify funding for 4 locations in Dec. 2022 Resolution
- ▶ Consider approval of 2023 Board Nominees (listed in annual report memo)
- ▶ Land conveyance (more on slide 16)
- ▶ Amendments to Interlocal Agreement (memo from staff in Appendix)
- ▶ Strategy for collective TIRZ management, incorporating existing and new TIRZ districts
- ▶ Administrative support

Approved Resolution 20221201-041



**3002 Guadalupe
District 9**

8372 SF

*potential use of historic tax credits

Building Renovation



**411 Chicon
District 3**

5.18 Acre Campus
67,000 SF Existing Use

Mixed use, new construction,
anchored by culture
(renovation)



**Municipal Building
District 9**

33,000 SF

*potential use of historic tax credits

Building Renovation



**One Texas Center
District 9**

South Central Waterfront
District

Existing Building: 215,000
SF

New Construction: TBD

Appendix

1. 2023 Profile of Board Members and Board Nominees
2. 2023 Board and Executive Committee meeting schedule
3. *Program of Work, February 2023*
4. *Program of Work: Project Funding Report, November 2022*
5. AEDC Strategic Project Evaluation Matrix
6. FY21-22 Financial Audit Report
7. *“Staff Concerns Regarding October 27, 2022, Agenda Item 41 Relating to Real Estate”
Memo to Mayor and Council dated October 27, 2022*

Austin Economic Development Corporation
Annual Report, February 2023

Appendix Item 1:

2023 Profile of Board Members and Board Nominees

Austin Economic Development Corporation: Board and Executive Committee Members, February 2023

		Summary of Qualifications
	<p>Board Chair: David H. Steinwedell, President and CEO of Affordable Central Texas</p> <p>Nominating Body: The Urban Land Institute Austin</p> <p>Term: 2023 Request for Renewal</p>	<p>David H. Steinwedell has worked in the commercial real estate industry over 35 years in a variety of disciplines including public and private investment management, acquisitions, debt, capital markets, investment banking and asset management. David is the President and CEO of Affordable Central Texas (ACT) in Austin, TX, a fund sponsor with a current focus on preserving workforce multifamily housing utilizing private equity through the Austin Housing Conservancy Fund. The Fund has invested in over \$130 million of moderate-income multifamily housing in four properties totaling almost 1,000 units and serving 1,500 residents.</p> <p>Prior to ACT, David was Executive Director of the Urban Land Institute (ULI) in Austin, TX where he led a dramatic increase in membership, sponsorship and community involvement in addition to being Managing Partner of Stoneforge Advisors, LLC, a real estate investment and advisory firm. Throughout his career, he has worked with multiple property types including multifamily, office, industrial, single tenant net lease, hotel, retail and single-family land development. David formerly served as president of Wells Fund Management at Wells Real Estate Funds, leading the development of a real estate investment product and management team dedicated to serving institutional investors. Also, at Wells, David served as chief investment officer for five years leading a team of professionals responsible for Wells’ real estate investment strategy representing over \$9 billion in acquisitions, \$300 million in development and \$4 billion in finance in a series of non-traded office REITS, a value-add fund, 1031 and limited partnership vehicles.</p> <p>David earned a bachelor’s degree in economics from Hamilton College in Clinton, N.Y.</p>
	<p>Board Vice Chair and Chair of the Strategic Planning Committee: Carl Settles, Executive Director of E4 Youth</p> <p>Nominating Body: City of Austin, Arts Commission</p> <p>Term: 2025 Renewal</p>	<p>Carl Settles is the visionary Founder and Executive Director of E4 Youth, a 501(c)(3) non-profit organization in Austin, TX. E4 Youth partners with local schools and creative media industry leaders to provide innovative curriculum and support, career exposure, job shadowing and internship opportunities to youth ages 16 – 24. Prior to founding E4 Youth, Mr. Settles worked extensively in education, software development, music, and media production. He is the architect of E4 Youth’s Employability Curriculum, which helps educators build stronger relationships with youth of color, and his VR Remix Party Curriculum empowers youth of any age to use open source and immersive technology tools to tell stories about their lives. His latest venture, Austin Digital Heritage Project, is a coalition of for profit and nonprofit organizations that trains and employs college age youth to collect and curate oral histories into an immersive media archive.</p> <p>Mr. Settles is a member of Capital Factory, former VP of Education</p>

	<p>Board Treasurer and Chair of the Audit and Finance Committee: Tina Cannon, President and CEO of the Austin LGBT Chamber of Commerce</p> <p>Nominating Body: Diversity and Ethnic Chamber Alliance</p> <p>Term: 2023 Request for Renewal</p>	<p>A dynamic, out-of-the-box leader who tackles one challenge after another. Ms. Cannon is currently the President & CEO of the Austin LGBT Chamber of Commerce after recently serving as the Vice President of Government Relations with the Greater Austin Chamber of Commerce. Cannon also served as a Senior Policy Analyst for the City of Austin. Prior to her work in politics, Ms. Cannon has been a seasoned entrepreneur having spent many years in the Austin startup space. Ms. Cannon served as an Entrepreneur-in-Residence for Texas State University and has been a guest blogger for CBSNews.com. She has been a featured presenter at various technology events. Cannon graduated from Texas State University with a bachelor's degree in accounting.</p>
	<p>Board Secretary and Chair of the Governance Committee: Xavier Peña Executive Vice President and General Counsel, St. David's Foundation</p> <p>Nominating Body: Downtown Austin Alliance</p> <p>Term: 2025 Renewal</p>	<p>Xavier Peña is currently the Executive Vice President and General Counsel at the St. David's Foundation in Austin. Through a unique partnership, the Foundation reinvests proceeds from St. David's HealthCare hospitals and clinics into the Central Texas community by providing grants to regional nonprofits and projects that advance health care and healthy communities Peña previously served as Vice President for Finance and General Counsel at the Houston Endowment and as a Senior Counsel for Finance at Plains All American Pipeline, a Fortune 500 company based in Houston. He began his legal career as a public finance attorney with Vinson & Elkins LLP in Houston.</p> <p>Peña is actively involved in the community. He currently serves on the boards of the Downtown Austin Alliance Foundation and the Discovery Green Conservancy. He previously served as chair of the Downtown Houston Redevelopment Authority Board and chaired the boards of Houston nonprofits Writers in the Schools and Santa Maria Hostel. A native of Mission, Texas, Peña earned Bachelor of Business Administration and Master's in Professional Accounting degrees from the University of Texas at Austin in 1997. He received his Doctor of Jurisprudence from the University of Texas School of Law in 2001. Peña is also a certified public accountant.</p>
	<p>Board and Executive Committee Member as Chair of the Real Estate Committee: Bradford Patterson, Director, Community Heritage Development Texas Historical Commission</p> <p>Nominating Body: City of Austin, Historic Landmark Commission</p> <p>Term: 2025 Renewal</p>	<p>Bradford Patterson is the Director for the Community Heritage Development Division leading the staff dedicated to helping communities create, revitalize, and support their historic preservation infrastructure through the Texas Main Street, Certified Local Government, and Texas Heritage Trails Programs. Since becoming Director in 2009, he has overseen the division's programs, initiatives and projects including the Economic Impact of Historic Preservation in Texas study; the creation of the annual Real Places Conference and the innovative DowntownTX.org real estate inventory tool; leading the development and expansion of the agency's digital and print heritage travel resources such as TexasTimeTravel.com, mobile tours and cultural travel guides. He has significant experience in historic preservation and architecture, having completed architectural degrees from The University of Texas at Austin and Miami University.</p> <p>With the Commission since 1996, Mr. Patterson previously worked in the Architecture Division coordinating the staff reviewing architectural projects under federal and state laws; tax incentives; disaster response and recovery; ADA compliance; and the Texas Preservation Trust Fund grant program. He also oversaw the restoration of numerous historic county courthouses through the nationally recognized Texas Historic Courthouse Preservation Program. He is a Certified Economic Development Finance Professional and serves as an ex-officio board member of the Texas Travel Alliance.</p>

	<p>Board and Executive Committee Member as Immediate Past Board President: Rosie Truelove Director, Neighborhood Housing and Planning Department</p> <p>Appointing Body: City of Austin, Neighborhood Housing and Planning Department</p>	<p>Rosie Truelove currently serves as the Director of the City of Austin’s Housing and Planning Department. The Housing and Planning Department was formed in 2020 with the merger of the Planning and Zoning Department and the Neighborhood Housing and Community Development Department. The Housing and Planning Department integrates comprehensive planning, zoning, and displacement prevention activities, to include all affordable housing program delivery, which are central to community and council priorities. Prior to her role in Housing and Planning, Rosie served as the Director of Neighborhood Housing and Community Development (NHCD) for four years. NHCD is responsible for the development and incentivizing of affordable housing in Austin, as well as community development services to benefit eligible residents, so they can have access to livable neighborhoods and increase their opportunities for self-sufficiency.</p> <p>Rosie has a Master’s in Public Affairs from the LBJ School at the University of Texas and undergraduate degree in Government. Rosie is a founding member of Woman-to-Woman, an employee affinity group at the City of Austin and has served on numerous cross departmental groups at the City of Austin focused on technology governance and human resources. She serves as the President of the Board of Directors of the Blodgett Fellows in Urban Management – a non-profit formed to promote the profession of Local Government in graduate education. Rosie is also active in her children’s schools and sports clubs.</p>
	<p>Board and Executive Committee Member, Diversity, Equity, and Inclusion: Suchitra Gururaj, Ph.D. , Assistant Vice President for Community Engagement in the Division of Diversity and Community Engagement</p> <p>Nominating Body: University of Texas at Austin</p> <p>Term: 2024 Renewal</p>	<p>Suchitra Gururaj, Ph.D., serves as Assistant Vice President for Community and Economic Engagement in the Division of Diversity and Community Engagement at The University of Texas at Austin, where she is the visionary and strategic lead for student engagement programs rooted in service, community-based learning course offerings, public engagement programming, and in-kind sponsorships.</p> <p>A lecturer in the College of Liberal Arts at UT-Austin, Dr. Gururaj teaches courses on community organizing and leadership development. Her research focuses on service-learning outcomes, university-community partnerships, and social inclusion policies in higher education. Dr. Gururaj holds a B.A. in English literature from Yale University, an M.A. in English from The University of Chicago, and a Ph.D. in educational administration from The University of Texas at Austin.</p> <p>Dr. Gururaj acts as book review editor for the Michigan Journal of Community Service Learning, serves on the editorial board of the Journal of Higher Education Outreach and Engagement, and sits on the Executive Committee for the Commission on Economic and Community Engagement for the Association of Public and Land-Grant Universities.</p>
	<p>Board Member: Tamara Atkinson, CEO of Workforce Solutions Capital Area Workforce Board</p> <p>Nominating Body: Workforce Solutions Capital Area</p> <p>Term: 2024 Renewal</p>	<p>Tamara Atkinson serves as the CEO of Workforce Solutions Capital Area Workforce Board, the workforce development board for Austin, TX. Workforce Solutions Capital Area supports and connects local people to local jobs as a business-led and community-focused organization. As the head of Workforce Solutions Capital Area, Ms. Atkinson is responsible for strategic planning, oversight, and evaluation of Austin/Travis County’s workforce system. Workforce Solutions is a regional quasi-governmental entity organized as a non-profit. Ms. Atkinson oversees all operations within the organization, as well as external relations with elected officials, educational institutions, civic and business leaders, economic development, and national education and workforce entities. She manages a board of directors comprised of public/private sector leaders from across Travis County.</p> <p>Ms. Atkinson has served Workforce Solutions in progressively more responsible positions for more than 20 years. Most recently, Ms. Atkinson expanded the Board’s impact through the creation of the Community Workforce Plan, Austin’s first comprehensive workforce strategic plan to better analyze and scale economic mobility through career education. She holds her undergraduate degree from The University of Texas at Austin, and a Master of Arts in Linguistics from the University of North Texas, later leading an English language school in North Africa for five years.</p>

	<p>Board Member: Awais Azhar, Community and Regional Planning Ph.D. student and Teaching Assistant, University of Texas at Austin School of Architecture</p> <p>Nominating Body: The Ending Community Homelessness Coalition</p> <p>Term: 2025 Renewal</p>	<p>Awais Azhar is a Community and Regional Planning Ph.D. student and Teaching Assistant at The University of Texas at Austin School of Architecture. His research focuses on affordable housing, eviction, and financialization.</p> <p>Awais is an affordable housing, homelessness, and social justice advocate. He currently serves on the City of Austin Planning Commission, ECHO Continuum of Care Membership Council, HousingWorks Austin Board, Austin Housing Coalition Executive Committee, and Leadership Team of Planning Our Communities. In the past he has also served on the LGBTQI+ Census Complete Count Committee, Equality Texas Board, City of Austin LGBTQ Quality of Life Advisory Commission, City of Austin Community Development Commission, Community Advancement Network Dashboard Steering Committee, and as a 2017 Central Health Community Health Champion.</p> <p>Previously, Awais worked as Research Coordinator and Program Manager for the Austin Community Investment Collaborative at HousingWorks Austin. Awais has a Master of Science in Community and Regional Planning and a Master of Public Affairs from the University of Texas at Austin, with a portfolio in Nonprofit Studies.</p>
	<p>Board Member: Emmett S. Beliveau, Chief Operating Officer, C3 Presents</p> <p>Nominating Body: City of Austin, Music Commission</p> <p>Term: 2025 Renewal</p>	<p>Emmett S. Beliveau is Chief Operating Officer at C3 Presents in Austin, TX. The world's premier music festival producer, C3 is the force behind the annual Austin City Limits Music Festival, Lollapalooza, and several other major festivals around the globe that draw more than two million music lovers each year. C3 continually leads the industry in fan experience, community engagement, innovative brand integrations, and cutting-edge digital platforms. In Austin, C3 owns, operates, or partners with several venerable music venues including Emo's, Historic Scoot Inn, and Stubb's BBQ. C3 is also working with Waterloo Greenway Conservancy to bring to life the new 5,000-seat Moody Amphitheater at the recently renovated Waterloo Park.</p> <p>Before joining C3 in 2015, Beliveau served in senior positions at the Obama White House for seven years. As Director of the White House Military Office (WHMO), Beliveau led the 2,500-person military organization responsible for the communications, IT, cybersecurity, fixed wing and helicopter transportation, healthcare, Camp David, and food service for the President, Vice President, and White House staff. Beliveau also served as CEO of the 2009 Presidential Inaugural Committee, overseeing planning and execution of the most widely attended Inauguration in U.S. history.</p> <p>Emmett is a native of Maine, graduated from Colby College, earned a law degree from Georgetown University, and previously practiced law in Washington, DC. He lives in Austin with his wife and two daughters. Mr. Beliveau is a volunteer Child Advocate with CASA of Travis County, a Board Member of Music Moves Austin, and serves on the Board and Executive Committee of the Health Alliance for Austin Musicians, an organization that provides access to healthcare for Austin's low-income working musicians.</p>
	<p>Board Member: Kellee Coleman, Business Process Consultant, Equity Office</p> <p>Appointing Body: City of Austin, Equity Office</p>	<p>Kellee Coleman has over 18 years of equity and social justice community organizing experience integrating media, and popular education as strategies for social change. In 2008 she co-founded Vibrant Woman/Mama Sana prenatal clinic, a project of Mamas of Color Rising that provides holistic and culturally specific prenatal care, birth companions, midwifery services, prenatal fitness and nutrition services to lower income Black and Latina folks in the Austin area.</p> <p>In 2013 Kellee facilitated the Austin Public Health Department's community health workers training focused on health equity issues impacting Black women in Austin, Texas. She has conducted original research on the social determinants of health as they impact Black women locally. She is a former member of the national leadership collective of Incite! Women and Trans* People of Color Against Violence. She has consulted with numerous national and local organizations on equity and reproductive issues including the U.S. Midwifery Education, Regulation, & Association (MERA); MANA, a National Latina Organization; The University of Texas LBJ School of Public Affairs; and the Austin Women's Community Center. Kellee is serving as the Business Process Consultant Sr. for the City of Austin's Equity office.</p> <p>Kellee has three children and graduated with a Bachelor of Arts in Sociology from St. Edwards University in 2015.</p>

	<p>Board Nominee: Cyndi Cummings Realty Austin</p> <p>Nominating Body: AustinUp</p> <p>Term: 2024 Renewal</p>	<p>Cyndi Cummings, a 21-year resident of Austin and its surrounding areas, brings a successful career in real estate combined with a strong history of community involvement and hands-on participation with various organizations. She is most passionate about helping older adults live and thrive with a strong understanding of issues facing older adults in regard to transportation, housing and employment.</p> <p>Her volunteer position with AustinUP has allowed her to understand what it takes to make Austin an Age Friendly City. The Age Friendly Austin Progress Report included several objectives that AustinUP helped in making the plan successful. The largest project related to employment assistance to those over 50. That program helped older adults match with potential employers via job fairs and webinars. Cyndi was instrumental in beginning and implementing these programs.</p> <p>AustinUP has also been working on the issue of older adults not applying and receiving appropriate property tax relief. The organization hopes to help many Austin residents in 2022 gain relief on taxes so that they can remain in their home. Cyndi’s background in Real Estate has helped to make the project rise to the top of projects to be implemented. Her involvement with Chariot has also allowed her to learn the struggles for non-driving older adults to remain independent in their home. She has worked with schools, private organizations, and nonprofits in aiding in the issue of Older Adults in the Workforce.</p>
	<p>Board Member: Sylvania Holt-Rabb Director of Economic Development</p> <p>Appointing Body: City of Austin, Economic Development Department</p>	<p>Sylvania Holt Rabb has over 22 years of experience in accounting and financial management through non-profit corporations and local government. In 2000, Sylvania began her career City of Austin in the Neighborhood Housing and Community Development Department as the Financial Manager. In 2009, Sylvania transitioned to the Economic Development Department as the Financial Manager. In June 2014, she was promoted to Assistant Director. She leads innovative programs that increase the prosperity of Austinites, businesses, and diverse neighborhoods, creating a cultural and economic environment that enhances the vitality of the community.</p> <p>During her tenure with the City of Austin’s Economic Development Department Director, Sylvania was appointed as a Daniel Rose Fellow, Urban Land Institute Rose Center for Public Leadership. As a fellow, Sylvania, along with three other colleagues, focused on equitable economic development specifically around small businesses in community of color. In December of 2019, Sylvania was appointed Director of the Economic Development Department in 2022. Sylvania is a graduate of Florida A&M University with a Bachelor of Science in Accounting and a Master of Business Administration.</p>
	<p>Board Member: Molly Beth Malcolm, EdD, LPC Executive Vice President of Campus Operations and Public Affairs, Austin Community College</p> <p>Nominating Body: Austin Community College</p> <p>Term: 2024 Renewal</p>	<p>As Austin Community College District (ACC) Executive Vice President of Campus Operations and Public Affairs, Dr. Molly Beth Malcolm is a senior member of the Chancellor’s Cabinet and serves as an advisor on a broad scope of complex issues impacting the college and the communities it serves. She leads the Campus Safety and Operations Department that includes more than a dozen campuses and centers; the ACC Police Department; the Department of Community and Public Affairs; Truth, Racial Healing, and Transformation Campus Center; and International Programs. Dr. Malcolm represents the college and the Chancellor/CEO in the community, acting as a key point of contact to business leaders, government officials, international organizations, educational leaders, and the public. She advises the Chancellor on issues related to ACC’s partnerships in the community including development, transportation, and economic partnerships. She also facilitates, in concert with the President, communication with the Board of Trustees.</p> <p>Dr. Malcolm currently serves on the University Federal Credit Union Board of Directors, Downtown Austin Alliance Board, Austin Healthcare Council Executive Board, The University of Texas UTeach Natural Sciences Advisory Council, the National Security Innovation Council, the Austin Chamber of Commerce Government Relations Council, Texas Lyceum Advisory Council, and as Co-Chair of The University of Texas at Austin Annette Strauss Institute for Civic Life Advisory Council. She has a long history of civic involvement and has been the recipient of numerous awards recognizing her state and community commitment. Those awards include the National Women’s Political Caucus-Texas Chapter Good Gals Award, the Texarkana NAACP Torchbearer Award for Extraordinary Community</p>

		<p>Contributions, the Texarkana Martin Luther King Jr. Acts of Kindness Leadership Award, Texarkana Community Journal Outstanding Woman Award, and Four States Living Magazine Tribute to Women Award.</p>
	<p>Board Member: Jeremy Martin, Interim Chief Operating Officer of the Greater Austin Chamber of Commerce</p> <p>Nominating Body: The Greater Austin Chamber of Commerce</p> <p>Term: 2023 Request for Renewal</p>	<p>Jeremy Martin is the Interim Chief Operating Officer for the Austin Chamber of Commerce.</p> <p>Previously, Jeremy served as Senior Vice President, Strategy. In that role, he was involved in strategic planning efforts at the Chamber such as the Opportunity Austin economic development strategy, annual work plan and budget, as well as the Chamber's annual InterCity Visit.</p> <p>Additionally, Jeremy served as Senior Vice President, Government Relations where he oversaw advocacy efforts at the Chamber focusing on priorities such as economic development policy, transportation, infrastructure, education/workforce development, and regulatory issues. Whether it appeared on the ballot or a city council agenda, he knew how policy items would impact the Chamber's members.</p> <p>He has represented Central Texas businesses at all levels of government from the White House Business Council to local community groups with one purpose in mind: strengthening the Central Texas regional economy to create jobs across the economic spectrum.</p>
	<p>Board Member: Cathy McHorse, Vice President, United Way for Greater Austin</p> <p>Nominating Body: United Way for Greater Austin</p> <p>Term: 2024 Renewal</p>	<p>Cathy McHorse is the Vice President, Success By 6 at the United Way for Greater Austin. Cathy is an experienced early childhood director and educator who oversees the United Way ATX portfolio of early childhood work and leads the Austin/Travis County Success By 6 Coalition. Cathy taught public school early childhood special education and pre-kindergarten classrooms in the Austin Independent School District, as well as serving as a teacher, director, and board member in childcare centers in Austin.</p> <p>Since joining the United Way ATX team, Cathy has focused her efforts on innovative, systems-level change. Under Cathy's leadership, United Way ATX created an Innovation Management Organization (IMO) that serves as the administrative hub for Pre-K Partnerships, allowing AISD to partner with childcare centers leveraging over \$1.84M of state funding into childcare centers last year. Cathy manages Early Matters Greater Austin, an alliance of business leaders as advocates for early childhood education at the local and state level. She is the Chair of the City of Austin Early Childhood Council and serves on the Texas State Prenatal to Age 3 Steering Committee.</p> <p>Cathy was recently recognized as the Outstanding Child Advocate for Central Texas by Children At Risk.</p>
	<p>Board Member: Sharmila Mukherjee, AICP Executive Vice President, Planning and Development at Capital Metropolitan Transportation Authority</p> <p>Nominating Body: Capital Metro</p> <p>Term: 2023 Request for Renewal</p>	<p>Sharmila Mukherjee, AICP joined Capital Metropolitan Transportation Authority in 2019 as the Executive Vice President (EVP) Planning and Development. Reporting to the President and CEO, EVP Planning and Development is responsible for sculpting, defining, and advancing short- and long-term transit programs and plays a key role in the creation of partnerships to guide transit solutions in Austin and Central Texas.</p> <p>EVP provides leadership to the functional areas of service planning /short range planning, ridership analysis, regional transportation programs, transit-oriented development planning, and Cap Metro's sustainability office. Supports innovative and new mobility initiatives and 'Project Connect'; the system planning process and alternatives analyses for Central Texas' high-capacity transit system.</p> <p>As part of senior executive management team of seven members, EVP weighs in key decisions involving organizational management, strategic direction of the agency, Project Connect- the regional bold and extensive system expansion plan delivery strategies and its future governance interface with Austin Transit Partnership, and other people and culture matters.</p>



Board Member:
Matias Segura,
Interim Superintendent of Austin
Independent School District

Nominating Body:
Austin Independent School District

Term:
2024 Renewal



Matias Segura is currently serving as the Interim Superintending of the Austin ISD. Previously, he lead Austin ISD’s operations team, which comprises construction management and the service center; as well as planning and asset management and the district’s real estate portfolio, including resulting intergovernmental partnerships.

Prior to joining AISD, Mr. Segura was a consultant who led a team of engineers, architects, real estate and finance professionals to support public sector clients. He has spearheaded complex, multimillion-dollar projects for clients, including school districts, municipalities, counties, state agencies, river authorities and private sector developers. He led AISD's facilities assessments, as well as the planning and execution of the district's \$1.05 billion bond, which voters approved in 2017.

Mr. Segura also brings experience managing public sector property transactions, which provides the district and our school communities with new perspectives in its real estate management and valuation solutions.

Ex-Officio Board Member
Jeremy Striffler,
Director of Real Estate, Austin Independent School District

Jeremy Striffler was appointed as an Ex-Officio Board Member in support of Mr. Segura’s continued interest in Austin ISD’s representation in AEDC efforts, provided his limited availability to engage while serving as the Interim Superintendent of Austin ISD.

Jeremy began his career in commercial real estate in 2006 at Vornado Realty Trust in New York City supporting their retail leasing and marketing efforts. After completing his M.B.A, he joined the Minneapolis office of Cushman & Wakefield in 2011 as a member of their retail consulting practice. Jeremy transitioned over to the Occupier Services group in 2014 where he provided lease, buy, and sell services for corporations, nonprofits, and education organizations, supporting site selection, client relations, and project management. Jeremy transferred to the Austin, Texas office of Cushman & Wakefield in 2020. And most recently, in September 2021, he accepted a position with the Austin Independent School District as their Director of Real Estate. Outside of work, he focuses his community involvement on addressing food insecurity. From 2010-2020, he volunteered and was on the board of Loaves & Fishes Minnesota, serving as Board Chair from 2018-2020. In Austin, from 2020-present, he has been involved with the Central Texas Food Bank and serves weekly as a Warehouse Volunteer Leader.



Board Member:
Brad Stein,
President of Intracorp Texas

Nominating Body:
The Real Estate Council of Austin

Term:
2023 Request for Renewal

Brad Stein is the President of Intracorp Texas, where he leads the Canadian development firm’s Texas operations. Currently, Intracorp is developing residential and mixed-use projects in Austin, Texas. In addition to real estate development, Brad practiced corporate, real estate and entertainment law in Austin and in Los Angeles, starting in 1999. Brad has worked with many Austin live music venues to provide legal consultation and strategic advice and he has also provided many hours of pro bono legal services to people working in the creative sector through Texas Accountants and Lawyers for the Arts.

Brad has been a longtime vocal advocate for the live music industry in Austin. He Chaired the Austin Music Commission from 2005-2011 and served for eight years. From 2011-2020 Brad also Chaired the Austin Music Foundation, one of the city’s most influential nonprofit agencies serving the music industry. In addition, in 2011-2012, Brad served on the Executive Committee and led the Advocacy Committee for Austin Music People, a music advocacy organization. Brad has worked closely with many Austin City Council members and members of City management for almost two decades to advocate for resource allocation to the music industry. Brad has counseled many clients in the music industry through the Music Industry Collaborative, a six year joint program between AMF and the City of Austin Economic Development Department/Music Office that Brad led and created.



Board Member:
Ed Van Eenoo,
Chief Financial Officer

Appointing Body:
City of Austin,
Finance

Mr. Van Eenoo has worked for the City of Austin for 12 years in the capacities of Budget Officer, Deputy Chief Financial Officer, and his current position of Chief Financial Officer. Mr. Van Eenoo is responsible for all aspects of City finances including procurement, bond issuances, construction contracting, accounting, franchise agreements, and administration of the City’s \$4.2 billion annual operating budget and \$1.0 billion annual capital budget. Under his leadership, the City’s budget has been a perennial winner of the Government Finance Officers Association’s award for Distinguished Budget Presentation and the International City/County Management Association’s Certificate of Excellence for performance measurement. In addition, he has developed and led many inclusive and innovative community engagement campaigns including the highly successful Budget-in-a-Box, which was awarded a Municipal Excellence Award for communication from the Texas Municipal League.

Ed is a member of the Board of Trustees for the \$2.5 billion City of Austin Employees’ Retirement System since 2011 and the \$860 million Austin Police Retirement System since 2019. He was selected by Bloomberg Philanthropies to be one of thirty financial leaders from cities across the country to participate in the What Works Cities Budgeting for Equity and Recovery Initiative. Ed also served two years with the United States Peace Corps as a secondary school mathematics teacher in rural Kenya. Mr. Van Eenoo holds a Bachelor of Science in Economics from Eastern Michigan University and a Master of Science in Applied Economics from Virginia Tech.



Ex-Officio Board Member:
Theresa Alvarez,
President and Chief Executive Officer of
Austin Economic Development Corporation

Theresa is a native Texan who brings 27 years of corporate, non-profit and community board leadership experience to the Austin EDC. Having most recently served as the Senior Vice President of Community Relations for the Wells Fargo Foundation, she managed multiple local and statewide philanthropy budgets for investments in housing affordability, economic development, small business growth and sustainability. Over 19 years at Wells Fargo, Theresa led Community Relations for several regions across Texas including Austin, San Antonio, San Marcos, Bryan, College Station, Round Rock, Waco, Bastrop and Burnet. During her tenure, she worked closely with marketing and corporate communications and was responsible for philanthropy, building non-profit relationships, Community Reinvestment Act exams with the Office of the Comptroller of the Currency (OCC), as well as initiatives for diversity, equity and inclusion.

Prior to joining Wells Fargo, Theresa worked as a Community Lender for Peoplefund, an Austin based Community Development Financial Institution (CDFI) with a mission to create economic opportunity and financial stability for underserved people by providing access to capital, education, and resources to build healthy small businesses. Her experience also includes Commercial Lending with Chase Bank. To connect her professional involvement more directly with local efforts in community development, Theresa has served on 20 local non-profit boards, committees, and task forces. She chaired the board of the Ann Richards School Foundation, Foundation Communities and an art education organization known as “Believe in Me.” She was selected to serve on the Mayor’s Task Force for Institutional Racism and Systemic Inequities. Theresa is the co-founder of an Austin housing non-profit organization, the East Austin Conservancy, working to support East Austin families at risk of displacement. She currently serves on the board of the Waterloo Greenway Conservancy, as Treasurer of the East Austin Conservancy and the Advisory Board of the Ann Richards School Foundation.

Theresa graduated from the University of Texas (UT) business school with a degree in Finance. While attending UT, she served as the President of the UT Ballet Folklorico team and as an officer in the Hispanic Business Student Association. She studied abroad at El Instituto Tecnológico de Monterrey in Mexico, one of Latin America’s top tier universities. Theresa has won several awards recognizing her commitment and work in the Austin community from The Greater Austin Hispanic Chamber of Commerce, the Austin Area Urban League, Ballet Austin, Girls Scouts, Seedling, Inroads, PODER and Advance. Having been a former performing artist, dancing with the Aztlan Dance Company, she served on the Aztlan board as well as the Mexican American Cultural Center (MACC) Bond Committee.

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Appendix Item 2:

2023 Board and Executive Committee Meeting
Schedule

2023 Board and Executive Committee Meeting Dates

AEDC is subject to rules and regulations of the Texas Open Meetings and Public Information Acts, leading with the degree of transparency necessary for the community's continued trust in its vested decision-making authority.

▶ 2023 Board Meeting Schedule

- ▶ February 13, 2023 (2pm)
- ▶ March 20, 2023
- ▶ May 8, 2023
- ▶ July 17, 2023
- ▶ September 11, 2023
- ▶ November 13, 2023

▶ Meetings typically begin at 11:30am

▶ 2023 Executive Committee Meeting Schedule

- ▶ January 25, 2023
- ▶ February 22, 2023
- ▶ March 29, 2023
- ▶ April 26, 2023
- ▶ May 31, 2023
- ▶ June 28, 2023
- ▶ July 26, 2023
- ▶ August 33, 2023
- ▶ September 27, 2023
- ▶ October 25, 2023
- ▶ November 29, 2023
- ▶ December 13, 2023

▶ Meetings typically begin at 1pm

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Appendix Item 4:

AEDC Program of Work, February 2023

Austin Economic Development Corporation: Program of Work, February 2023

Project Name	Scope of Service(s)	Description	Achievements	Budgetary Impact
Cultural Trust	Additional Services/Program Management, Real estate transactional services, Public Development Services and Real estate management and administration	AEDC is administering new program for the City of Austin, to identify projects that preserve existing venues while facilitating the development of new affordable spaces for creation, innovation, practice, and exhibition/ performance. The program cultivates projects that support diverse communities, will accelerate organizations led by BIPOC founders into affordable space, support an ongoing pipeline of projects for future investments.	<ul style="list-style-type: none"> Engaged creative ecosystem representatives and community. Request for Proposals closed March 31, 2022, with 45 applicants Evaluation and identification of 14 projects to advance on June 30, 2022 Facilitated feasibility evaluation to finalize potential deal structures, budgets and next steps City Council approved first 2 Bond funded projects on Dec. 8, 2022 Advancing/negotiating term sheets with remainder organizations Maintaining pipeline of all 47 projects for future potential investments 	Direct FTE investment in consulting, technical advisory, and professional services to launch solicitation process for identifying potential investments. Revenue collection based on closing transactions and activating space(s) which will take a few years before all projects are realized. AEDC will realize some reimbursement(s) of project delivery expenses but no revenues or asset management fees until site(s) under control by AEDC and activated for management and administration. Transaction and Asset Management fees are minimal, based on scale of project and prioritizing funds for projects.
Urban Renewal Plan-East 11 th	Real estate transactional services,	Aligned with the principles and goals of the African American	<ul style="list-style-type: none"> Held 6 community conversations to review, validate and prioritize 	Direct FTE investment in consulting, technical advisory

Street Blocks 16 & 18	Public Development Services and Real estate management and administration	Cultural Heritage District, and the Urban Renewal Plan, AEDC is facilitating the disposition of two parcels into signature mixed-use developments that provide thriving small businesses, cultural anchors and distinctive affordable housing that reinforce the cultural identity of the district.	<p>community goals for the development parcels</p> <ul style="list-style-type: none"> • Assess development potential of 2 blocks through 4 scenarios, and reviewed market feasibility of the various options • Drafted upcoming Request for Proposals development criteria to outline project objectives • Regularly presented progress at the Urban Renewal Board, engaging new community voices into the process • Held monthly Working Group meetings that included 2 Urban Renewal Commissioners, 2 AEDC board members and AEDC staff 	and professional services to launch solicitation for negotiation and development. Direct expenses for pre-development work reimbursed from City. Revenue collection anticipated on closing transactions and any future Asset Management role, not yet negotiated. Transaction fee will be set in relationship to the final development budget. AEDC will realize reimbursement(s) of direct expenses but no revenues until site(s) developed and activated for management and administration.
Equitable Development Strategy for Our Future 35 project	Additional services, Real Estate Analysis	Coordinating with the City of Austin’s primary consulting team, AEDC is defining Equitable Development for this project, identifying and developing implementation strategies for projects that would help connect across a historic tear in the city fabric, help align community facing uses and needs to future development on the caps and along the corridor, and mitigate potential displacement along	<p><i>This work has just begun!</i></p> <ul style="list-style-type: none"> • Engaged planning and economic feasibility team. • Initiated work to define equitable development for this project with Stakeholder Group organized by the Corridor Office • Coordinating with lead consulting team to consider broad market and development strategy for the caps and stitches • Outcomes will be program/policy and development implementation recommendations 	Direct FTE investment in consulting, technical advisory and professional services for community engagement to develop inclusive strategies. AEDC will realize reimbursement(s) of direct expenses but no additional revenues anticipated under current scope of work.

		key nodes of the I-35 expansion corridor.		
South Central Waterfront	Real estate transactional services and Additional services to manage TIRZ district	TIRZ Management; Leveraging public-private partnerships, tools and programs in the redevelopment of this 118-acre area to realize a vision of accessible economic and community benefits over next 20 years. Final scope to be determined	<p><i>The scope is being defined as the TIRZ district Final Project Plan is written.</i></p> <ul style="list-style-type: none"> • Benchmarking TIRZ management structure and practices • Met monthly with SCWAB chair • CEO presented to SCWAB Aug. 15, 2022 	2020-21 Investment in consulting, technical advisory and professional services to support City, delivered to the City in April/July 2021. Future revenue collection anticipated to be based on fees for service to administer TIRZ district. AEDC needs additional funding to continue supporting direct expenses until revenues generated until transactional services are rendered.
Creative Space Assistance Program (CSAP)	Additional Services/Program Management,	Assisting Economic Development Department with Real Estate advisory services to confirm/validate application materials related to real property.	<i>Work has not yet begun, anticipated March-June 2023.</i>	
Public Asset Inventory*	Additional services	Assessing existing resources and future opportunities from the City and across AEDC's affiliate organizations to drive more collaborative and inclusive development	<i>This project has not yet begun, although bi-weekly meetings with Financial Services/Real Estate Department are underway.</i>	No revenue generated until future project(s) and roles are scoped and approved.

* Previously discussed with Council, needing formal ILA articulation.

Austin Economic Development Corporation
Annual Report, February 2023

Appendix Item 5:

AEDC Strategic Project Evaluation Matrix



Evaluation Criteria	Key Question(s)	Sample Project
Community Benefits	What community benefits does this project deliver? For which communities? Does this align with our mission?	
Capacity	Do we have the staff capacity to dedicate to this project? Is there another entity (individual, City, community, or private connection) that is better suited to take on this project?	
Financial Sustainability	Is this project revenue-generating for the recipient organization?* Will it support other AEDC projects in the short or long-term? *If not, what other revenue opportunities are there? Can AEDC afford this project now?	
Mission Alignment	Does this project advance AEDC's mission?	
Equity as Guiding Principle	Does this project directly advance our commitment to reducing economic inequality? Closing the racial wealth gap?	
Measurable Impact	Will this project have a transformative impact on current and future Austinites? Are we able to measure the impact of this project?	
Community Priorities	Is this project a community priority? Has the community been engaged in a meaningful way to determine the level of need?	
Collaboration	Does this project require multiple stakeholders and community partnerships?	
Project Portfolio Pipeline	Will this project provide us with some collateral benefit? (Example: New or deeper expertise? Unlocks a network? Bring new community connections? Learning about a new part of the City?)	
Real Estate Expertise	Can AEDC provide expertise to advance this project? In addition to and beyond what the City can provide?	
Organizational Leverage	How can we leverage our board, partnerships, and resources from affiliate agencies to advance this project?	
Degree of Agency	What kind of leadership role should AEDC take on? What degree of agency can it exercise in determining project direction and outcomes?	
Return on Investment	What resources are required to advance this project? Are the community benefits and other returns worth the resources spent here relative to other areas? What are the quantifiable economic metrics?	

Austin Economic Development Corporation
Annual Report, February 2023

Appendix Item 6:

FY21-22 Financial Audit Report



Montemayor Britton Bender PC

CERTIFIED PUBLIC ACCOUNTANTS

AUSTIN ECONOMIC DEVELOPMENT CORPORATION

FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITOR'S REPORT

30 SEPTEMBER 2022

AUSTIN ECONOMIC DEVELOPMENT CORPORATION

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Montemayor Britton Bender PC
CERTIFIED PUBLIC ACCOUNTANTS

Board of Directors
Austin Economic Development Corporation

INDEPENDENT AUDITOR'S REPORT

Opinions

We have audited the accompanying financial statements of the governmental activities and general fund of Austin Economic Development Corporation (AEDC) as of and for the year ended 30 September 2022, and the related notes to the financial statements, which collectively comprise AEDC's financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of governmental activities and general fund of AEDC as of 30 September 2022, and the respective changes in net position and for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of AEDC, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Correction of Error

As discussed in Note 8 to the financial statements, certain errors resulted in the understatement of amounts previously reported for deferred revenue as of 30 September 2021. Accordingly, an adjustment has been made to net position as of 30 September 2021 to correct these errors. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the AEDC's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that

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an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of AEDC's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about AEDC's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

26 January 2023
Austin, Texas

AUSTIN ECONOMIC DEVELOPMENT CORPORATION

STATEMENT OF NET POSITION AND GOVERNMENTAL FUNDS BALANCE SHEET

30 SEPTEMBER 2022

	<u>Governmental Fund General Fund</u>	<u>Adjustments</u>	<u>Government- wide Statement of Net Position</u>
ASSETS			
Cash	\$289,412		\$289,412
City of Austin awards receivable	<u>90,421</u>		<u>90,421</u>
	<u>\$379,833</u>		<u>379,833</u>
 LIABILITIES AND FUND BALANCE/NET POSITION			
Liabilities			
Accounts payable	\$24,768		24,768
Payroll liabilities	2,840	74,651	77,491
Deferred revenue	<u>286,225</u>		<u>286,225</u>
	313,833		<u>388,484</u>
 Fund balance			
Unassigned	<u>66,000</u>	(66,000)	<u>0</u>
	<u>\$379,833</u>		
 Net position			
Unrestricted		(8,651)	<u>(\$8,651)</u>

The accompanying notes are an integral part of this financial statement presentation.

AUSTIN ECONOMIC DEVELOPMENT CORPORATION

STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUNDS STATEMENT OF
REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES

YEAR ENDED 30 SEPTEMBER 2022

	Governmental Fund <u>General Fund</u>	<u>Adjustments</u>	Government- wide Statement of Activities <u>of Activities</u>
OPERATING EXPENSES/EXPENDITURES			
Salaries and benefits	\$549,154	\$74,651	\$623,805
Legal and professional fees	168,162		168,162
Office	13,545		13,545
Other	<u>14,581</u>		<u>14,581</u>
	745,442		820,093
PROGRAM REVENUE			
City of Austin awards	<u>811,442</u>		<u>811,442</u>
CHANGE IN FUND BALANCE/NET POSITION			
	66,000		(8,651)
BEGINNING FUND BALANCE/NET POSITION			
	<u>0</u>		<u>0</u>
ENDING FUND BALANCE/NET POSITION			
	<u>\$66,000</u>		<u>(\$8,651)</u>

The accompanying notes are an integral part of this financial statement presentation.

AUSTIN ECONOMIC DEVELOPMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS

NOTE 1: ORGANIZATION

Austin Economic Development Corporation (AEDC) is a non-profit corporation incorporated in 2020 and is governed by a Board of Directors. The members are nominated by the City of Austin (the City) and other external agencies or partners in the community, each seat representing a key expertise/voice within the landscape of the economic and community development field. AEDC 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. AEDC is structured broadly enough to manage a range of projects, which could include affordable housing development, public-private partnerships with private-led development.

AEDC's activities are primarily funded by awards from the City.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

AEDC's Board of Directors are approved by the City, a local government entity. Therefore, AEDC meets the definition of a governmental entity, and as such, is subject to accounting standards in conformity with U.S. generally accepted accounting principles applicable to governments promulgated by the Governmental Accounting Standards Board (GASB) and the American Institute of Certified Public Accountants (AICPA). The following is a summary of the significant accounting policies.

MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION

The basic financial statements include both government-wide and fund financial statements. The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of AEDC's activities. The government-wide financial statements are reported using the economic flow of resources measurement focus and the full accrual basis. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. AEDC's services are supported primarily by government awards (see Note 1).

The governmental fund financial statements provide reports on the financial condition and results of operations for governmental funds. The fund financial statements are accounted for on a spending or current financial resources measurement focus and the modified accrual basis of accounting. This basis of accounting recognizes revenues in the accounting period in which they become available and measurable, and expenditures in the accounting period in which the fund liability is incurred, if measurable. Under the modified accrual basis only current assets and current liabilities are included in the balance sheet. AEDC considers all revenues available if they are collectible within 60 days after year-end.

AUSTIN ECONOMIC DEVELOPMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounts of AEDC are organized in separate funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts. They are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with specific regulations, restrictions or limitations and aiding financial management. The following governmental fund types and account groups are maintained by AEDC:

General Fund

The General Fund is used to account for all financial resources except those required to be accounted for in another fund. This fund is used to account for general operating and program expenses of AEDC.

BUDGETARY ACCOUNTING

AEDC uses budgetary accounting under which a budget is approved by the Board, although legal adoption of the budget is not required.

NET POSITION

Net position represents the difference between assets and liabilities. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation adopted by AEDC or through external restrictions imposed by creditors, grantors, laws, or regulations of other governments.

RESTRICTED RESOURCES AND FUND BALANCE SPENDING

When both restricted and unrestricted resources are available for use, it is AEDC's policy to use restricted resources first and then unrestricted resources as they are needed. When both assigned and unassigned funds are available for expenditure, assigned funds are used first.

PROGRAM REVENUE

AEDC considers City of Austin awards as program revenue.

ENCUMBRANCES

Encumbrance accounting, whereby commitments related to unperformed contracts for goods or services are recorded, is not used by AEDC because operations of AEDC are not subject to appropriation.

AUSTIN ECONOMIC DEVELOPMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

FEDERAL INCOME TAX STATUS

AEDC is a nonprofit organization pending its exemption from Federal income taxes pursuant to the provisions of Section 501(c)(3) of the Internal Revenue Code, except to the extent it has unrelated business activities. AEDC's application for tax exempt status is currently in the process of being reviewed by the Internal Revenue Service. Therefore, no provision has been made for Federal income taxes in the accompanying financial statements.

ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

SUBSEQUENT EVENTS

AEDC has evaluated subsequent events as of the date of the Independent Auditor's Report, the date the financial statements were available to be issued.

NOTE 3: CONCENTRATION

100% of AEDC's revenue during the year and receivables at year end were from the City of Austin.

NOTE 4: CONTINGENCIES

AEDC is the recipient of awards and contracts that are subject to review and audit by awarding agencies. Such review could result in noncompliance findings and disallowance of expenditures resulting in requests for reimbursement by the awarding agency. In the opinion of AEDC's management, such disallowance, if any, will not be significant.

NOTE 5: DEPOSITS AND INVESTMENTS

At year end, the carrying amount of AEDC's cash deposits was \$289,412 and the bank balance was \$289,412. At year end, AEDC had uncollateralized deposits in excess of FDIC coverage of \$39,412.

AEDC has not formally adopted deposit and investment policies that limit the organization's allowable deposits or investments and addresses the specific types of risk to which the government is exposed.

AUSTIN ECONOMIC DEVELOPMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS

NOTE 6: RELATED PARTY TRANSACTIONS

Four of AEDC's board members are employees of the City of Austin, AEDC's primary funding source.

NOTE 7: RETIREMENT PLAN

AEDC started offering retirement benefits to its employees in March 2022. AEDC makes matching contributions to a 401k retirement plan of up to 8% of compensation for participating employees. During the year AEDC contributed \$28,462 to the plan.

NOTE 8: PRIOR PERIOD ADJUSTMENT

Deferred revenue was understated by \$45,391 as of 30 September 2021 and unrestricted net position and unassigned fund balance was overstated by this same amount. A prior period adjustment has been posted to beginning unrestricted net position and unassigned fund balance. The change in net position and fund balance for the year ended 30 September 2021 was decreased by \$45,391 as a result of this adjustment.

Beginning net position and fund balance, as previously reported	\$45,391
Prior period adjustment for deferred revenue	<u>(45,391)</u>
Beginning net position and fund balance, as restated	<u>\$0</u>

NOTE 9: ADJUSTMENTS TO CONVERT FUND STATEMENTS TO GOVERNMENT-WIDE

Ending fund balance	\$66,000
Accrued leave not reported in the fund financial statements	<u>(74,651)</u>
Government-wide net position	<u>(\$8,651)</u>
Governmental funds change in fund balance	\$66,000
Change in accrued leave not reported in the fund financial statements	<u>(74,651)</u>
Government-wide change in net position	<u>(\$8,651)</u>

Austin Economic Development Corporation
Annual Report, February 2023

Appendix Item 7:

“Staff Concerns Regarding October 27, 2022, Agenda Item 41 Relating to Real Estate” Memo to Mayor and Council dated October 27, 2022



MEMORANDUM

TO: Mayor and Council Members

FROM: Rodney Gonzales, Assistant City Manager
Veronica Briseño, Assistant City Manager

DATE: October 27, 2022

SUBJECT: **Staff Concerns Regarding October 27, 2022, Agenda Item 41 Relating to Real Estate**

Attached are the staff comments assembled from various departments regarding Version 4 for this agenda item. After reviewing Version 4, staff remains unable to support the agenda item. The draft resolution is in its fourth iteration within four weeks. Many staff from multiple departments have suspended other work and meetings to prioritize the review of each draft. However, there is concern regarding the speed at which this broad-reaching resolution is moving and a concern for not providing a thorough review. Additionally, the draft resolution has a depth of detail for a policy document such that there is concern for the resolution inadvertently delving into operational matters by virtue of the detail.

Another concern is that, to staff's knowledge, the Austin Economic Development Corporation (AEDC) Board and staff have not provided formal feedback regarding the draft resolution to City staff nor to all of Council. As a recent partner incorporated to create and support development of affordable housing, redevelopment, revitalization and other priority projects and goals of the City, the AEDC will be a key partner in real estate matters. Like how City departments are providing feedback to the draft resolution, a more robust review would incorporate feedback from the AEDC staff through a joint review with City staff of the areas noted below.

Key areas for AEDC review:

- Ground Leases Versus Fee-Simple Sales
 - There were three national models used to guide the structure, governance, and funding of the AEDC. All three national models generate monies from real estate by turning assets into a more productive use. As such, a key role of the AEDC is to fulfill the role of a public developer—managing public real estate and public/private partnerships on behalf of the City to achieve inclusive growth policies.
 - AEDC Board and Staff should provide their perspective on this facet of the draft resolution.
- Leasing Facilities for Community Needs
 - At Council's request, the AEDC is currently leading the Cultural Trust and Creative Space Bond Program. As part of the program, the AEDC is working with community organizations

- to identify land or buildings to be acquired or land on which buildings would be constructed by the AEDC on behalf of the City with these bond proceeds.
- AEDC Board and Staff should provide their perspective on this facet of the draft resolution and whether there is an impact to the work regarding the Cultural Trust.
- Current Appraisals
 - As indicated on Page 10 of the [July 31, 2020 Staff Memo to Council on recommendations for creating the AEDC](#), control of property via direct ownership of the AEDC or through an interlocal agreement, the success of the AEDC is premised on its ability to obtain control of City-owned property without competitive bidding. The AEDC requires either complete ownership, or a pre-negotiated interlocal agreement allowing access and authority to negotiate transactions utilizing property.
 - The AEDC Board and Staff should provide their perspectives on this facet of the draft resolution.
 - Land Use Considerations
 - Like the statement above, the success of the AEDC is premised on its ability to obtain control of City-owned property either through complete ownership or a pre-negotiated interlocal agreement.
 - The AEDC Board and Staff should provide their perspective on this facet of the draft resolution that requests the initiation of zoning for certain City-owned parcels.
 - Joint Uses and Collaborations
 - As indicated above, a key role of the AEDC is to fulfill the role of a public developer—managing public real estate and public/private partnerships on behalf of the City to achieve inclusive growth policies.
 - The AEDC Board and Staff should provide their perspective on this facet of the draft resolution.
 - Achieve Council-Approved Priorities for All Property
 - This section of the draft resolution implements certain requirements for leases of City-owned property and development or redevelopment of City-owned property.
 - As indicated on Page 15 of the [July 31, 2020 Staff Memo to Council on recommendations for creating the AEDC](#), it is contemplated that AEDC will execute a contract with the City of Austin every year. To ensure that the AEDC has equal if not greater successes than best practice models explored in Task 2, the AEDC will need nearly complete autonomy in its work with limited restrictions. Unlike the community benefit requirements embedded in current City programs such as Chapter 380, procurement requirements above State law requirements, minimum wage requirements and others, the AEDC requirements for each property are contemplated to be agreed upon in the annual contracting process with the City. In some cases, the AEDC will not have the identical requirements of other COA projects due to the nature of its contracts. This will allow the nimbleness and flexibility found in best practice models needs to be present for the AEDC. Beyond what is legally required, the AEDC can certainly make reasonable attempts to achieve various community benefit goals beyond the requirements; however, mandates for the entity to exactly parallel all COA policies would pose risks and challenges to fully utilizing the benefits of creating the AEDC.

- The AEDC Board and Staff should provide their perspective on this facet of the draft resolution.

Staff will be available at tomorrow's Council meeting to provide responses to further Council questions regarding the draft resolution.

Attachment: City Department Staff Comments Regarding Version 4 of Agenda Item #41

cc: Spencer Cronk, City Manager
Anne Morgan, City Attorney

City Department Staff Comments Regarding Version 4 of Agenda Item #41

RESOLUTION NO.

WHEREAS, the City of Austin is one of the largest owners of land within the Austin area, owning real property throughout its jurisdiction within each of the ten City Council districts;

WHEREAS, as the governing body of the City, the City Council is entrusted with the responsibility and authority to purchase, sell, and lease of real property on behalf of the City;

WHEREAS, decades of City plans and multiple Council-approved policies have identified vacant or otherwise underutilized City-owned land and facilities as opportunities to expand community services and generate opportunities for basic necessities and Council priorities, such as affordable and family-friendly housing;

WHEREAS, the Strategic Housing Blueprint, for example, identifies strategic opportunities for the use of City-owned land, such as community land trusts and the co-location of housing alongside or within City facilities such as libraries and community centers to build and generate long-term affordable housing at deeper levels of affordability in areas of the city where land costs and property taxes are higher;

WHEREAS, the City's Families and Children Task Force and the later work group identified the importance of collaboration between the City, school districts, and other stakeholders to develop affordable, family-sized housing and other basic needs for families, such as childcare facilities, to retain and provide stability for families within the City;

WHEREAS, the City Council desires to establish a consistent, reliable, and transparent process that incorporates earlier Council review, evaluation, consideration, and approval of real estate transactions and redevelopment proposals for City-owned land to ensure that the City's policies and goals are prioritized within the City's overall real estate management strategy;

WHEREAS, earlier City Council input into decisions related to the long-term use, acquisition, and disposition of real estate will ensure that Council-approved policy and community benefits are incorporated into the negotiations of such

transactions before significant staff time and resources are spent on a proposal;

WHEREAS, earlier City Council input into decisions can help improve efficiencies throughout a proposed real estate transaction by ensuring the transaction is consistent with Council direction at the beginning and avoid delays at the end of the transaction, when delays can be more problematic;

WHEREAS, Resolution 20121011-076 directed the City Manager bring forward an enhanced review process for potential real estate sales of City-owned land, including community outreach and consideration of all relevant City plans and policies, from small-area plans to the Imagine Austin Comprehensive Plan;

WHEREAS, the Austin Climate Equity Plan, the Austin Strategic Mobility Plan, and the Downtown Austin Parking Strategy all articulate the need to manage the City's parking facilities in a manner that promotes a multi-modal transportation system and helps generate revenue for overall mobility improvements;

WHEREAS, as the stewards of the City's real property, the City Council has a responsibility to its taxpayers to obtain the best value, both in terms of price and efficiency, of the use of the City's real estate interests;

WHEREAS, on August 3, 2018, the Housing Department issued a memorandum stating that the Economic Development Department (EDD), building upon the "portfolio approach" of repositioning City-owned property, would comprehensively evaluate sites and make actionable recommendations for City Council consideration in order to leverage City Council policy objectives for each site and the portfolio as a whole;

WHEREAS, Resolution No. 20161103-045 directed the City Manager to ensure that the City's Strategic Facilities Governance Team work with other local governmental and quasi-governmental entities, including the Austin Independent School District, Travis County, Capital Metro, and Austin Community College, on creating a process for identifying opportunities within each entity's real estate portfolio for coordination on facilities and redevelopment of public land and identification of opportunities for joint-use agreements, with the aim of achieving shared priority policy goals, such as creating affordable and permanent supportive housing, supporting transportation goals, or supporting space for

creatives; and

WHEREAS, Resolutions 20220728-94 and 20220901-89 identified the need to create spaces for cultural arts and live music to preserve Austin's unique and distinctive identity, contribute to the city's overall character, quality of life and economy, and generate rich, social, cultural and economic benefits;

WHEREAS, in 2016 and 2017, the Downtown Austin Alliance worked with City transportation staff and other stakeholders on the development of the "Downtown Austin Parking Strategy," which recommended that the City design and implement a performance-based parking management program in which staff would have authority to adjust rates and regulations at least annually to meet approved availability targets; and

WHEREAS, Resolution 20220915-055 directed the City Manager to assess the parking rates charged at the Austin Convention Center to ensure consistency with the City's overall transportation and financial policies;

WHEREAS, Resolution 20161013-008 directed the City Manager to identify properties within the City's real estate portfolio suitable for development as affordable housing, mixed use housing developments, and emergency shelter;

WHEREAS, Resolution No. 20170216-040 directed the City Manager to bring forward for Council consideration specific proposals for creating an economic development corporation or similar entity that could create or support development of affordable housing, redevelopment, revitalization and other priority projects and goals of the City;

WHEREAS, Resolution No. 20201203-046 directed the City Manager to bring forward such action as is appropriate to contract with the Austin Economic Development Corporation (AEDC) to manage the funds, as set forth in the Texas Tax Code Chapter 351 for the purpose of implementing, as a project, Iconic Cultural Preservation, restoration, acquisition, construction, improvement, enlarging, equipping, repairing, operations, and maintenance as provided for under Texas Tax Code; and

WHEREAS, the Austin Economic Development Corporation is well situated to act on behalf of the City in redevelopment opportunities to maximize the

community benefits and further municipal goals;

WHEREAS, the following policies are intended to provide a general framework for the use of City-owned properties, respect the primary functions of the various City departments, enterprises, and City-owned entities, provide flexibility when needed, and to align with any legal requirements pertaining to the funding sources related to the acquisition and/or management of the City facilities;

WHEREAS, several of the policies contained in this Resolution are restate existing policy or practice, such as favoring ownership over leasing; these policies are included to ensure that such policies and the progress made toward achieving them are prioritized in the ongoing management of the City's real estate portfolio; **NOW, THEREFORE**,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF AUSTIN

The City Manager is hereby directed to manage the City's real estate interests, on a prospective basis, according to the following Council-approved policies.

GENERAL NOTE AND EXCLUSIONS

This resolution applies to the development, redevelopment, sale, acquisition, leasing, and disposition of City-owned real estate. As a point of emphasis, the following guidance is provided to the City Manager to assist in the implementation of these policies:

- **Prospective Basis**. Nothing in this Resolution is intended to alter the terms and conditions of existing agreements, including exclusive negotiation agreements and leases that have already been executed or are otherwise at a significant stage of negotiation, such as those City-sponsored developments located in Colony Park, on St. John's Avenue, and on Ryan Drive, or those which have received sufficient policy directive through prior City Council action, such as direction provided through the budget amendment process related to the acquisition of a facility for temporary shelter. Lease renewals and extensions should align with this Resolution's policies, to the extent such renewals and extensions are not automatic.

Staff Comments

- Please clarify if there are other projects (such as Health South and the related

parking garage) that have Council approval to proceed that are covered by this section.

- Please specify if this is intended to encompass projects that don't necessarily require an Exclusive Negotiations Agreement (ENA).
 - Ordinary Course of City Business. The policies in this Resolution should not impair the City's ability to conduct its standard, day-to-day practices in the ordinary course of City business for the acquisition or purchase of real estate interests associated with providing basic City services, such as acquiring right-of-way and other easements, parkland, and other real estate interests dedicated through the City's development permitting processes or for the provision of basic utility, drainage, or transportation infrastructure associated with a Council-approved Capital Improvement Project plan. For purposes of clarification, this Resolution is not intended to apply to real estate being acquired and/or developed with utility infrastructure for the provision of water, electricity, or other utilities (including, but not limited to, power plants, water treatment plants, and wastewater treatment plants), where it is unlikely that the co-location of other community benefits would be achievable; however, it is intended to apply to the development and redevelopment of office space for such utilities, such as the Austin Water Utility and Austin Energy headquarters. Similarly, this Resolution is not intended to impact the standard operations of the Austin-Bergstrom International Airport; however, it is intended to apply, to the extent allowed under applicable laws, to leasing internal spaces for retail vendors and restaurants and for the development of commercial uses on airport land.
 - Transactions that Require City Council Approval. This Resolution applies to transactions that require the approval of the City Council and not those otherwise within the City Manager's authority under the City Charter or City Code.
 - Consistency with Applicable Laws and Bond/Financial Requirements. All real estate transactions should continue to be consistent with the City Charter, City Code, and state and federal laws, as well as any requirements established by bond or covenant. To the extent there are any conflicts with the requirements of this Resolution and such laws or requirements, those laws and requirements prevail.

PROCEDURAL POLICIES

- **Transparency in Real Estate Transactions and Solicitations.** Transparency should be a central focus of all real estate transactions and real estate-related solicitations. As a general policy, the City Manager should err on the side of transparency and post for public review materials containing the relevant details for a proposed transaction or solicitation prior to any City Council action with sufficient time for public review and input. Due to the sensitive nature of real estate transactions and as consistent with state law, the City Manager will need to provide some details about a proposed real estate transaction or solicitation in executive session to protect the City's negotiating position and/or other third parties' interests, proprietary or otherwise.

Staff Comments

- Please specify if it is contemplated that departments will need to have RFQs drafted prior to seeking Council approval on a procurement methodology (i.e. CMAR)?
 - Transparency in Solicitations. When drafting RFPs, RFQs, and other solicitations, the City Manager should structure such solicitations so that project-specific details within a response can be shared publicly prior to Council making its selection; for example, in a mixed-use development, details related to the number of units, bedroom mix, levels of affordability, revenue-sharing, proposed uses, and other community benefits should be made public prior to Council action. Nothing in this provision is meant to require the disclosure of proprietary information of a respondent.
- **Earlier Council Input.** To ensure maximum efficiency in the City's process and consistency with Council direction, the City Manager shall seek the City Council's input within the early stages of the City's decision-making process concerning the development, redevelopment, acquisition, sale, or lease of real estate.
 - Solicitations for Development & Redevelopment. Prior to issuing any Request for Proposal (RFP), Request for Qualification (RFQ), or other similar solicitation concerning the development or redevelopment of

City-owned real estate, the City Manager should provide the City Council with an opportunity to review the proposed draft solicitation, with sufficient time to allow the City Council to take action as a body on modifications to such solicitation prior to its release. The City Manager may choose to provide its recommendation for the draft solicitation to the City Council via a memorandum, so long as the City Council has one week before the posting deadline of the next regularly scheduled City Council Meeting to submit an Item From Council, if desired, to make modifications to the solicitation prior to the solicitation's release. Significant amendments to a solicitation, following its initial release, should follow the same process.

Staff Comments

- While providing somewhat more separation between Staff and Council, this revised approach will still add weeks or months to a Solicitation's timeline (Historically, it has been Council that has expressed the most concern with the timeliness of these procurements.). Like the previous approach, the revised approach does not account for possible Council disagreement(s), and the postponement(s) of any IFCs to correct Solicitation contents, etc. As the IFC to correct is postponed, so to would the Solicitation (or Amendment).
- In EDD's experience, the RFP/RFQ is infused with the key elements arising from years of community engagement outlining the vision for the property and hence the goals for the procurement predicated on past resolutions and Council goals. Changes at the Council dais have the potential of overriding those goals and past Council direction. Additionally community engagement processes that develop RFP/RFQ vision and goals are not only predicated on past policy resolutions but also market context, physical and environmental constraints and financial feasibility. Council deliberations on changing the language of the RFP/RFQ would not have the benefit of an appreciation of the full understanding of this context. Changes could therefore seek items that the market could not or would not financially or physically deliver.
- Please clarify if there is possibility to focus on projects that are developing and/or redeveloping for a purpose other than the current use or a municipal purpose.
 - Acquisition and Sale/Lease of City-Owned Property. Prior to engaging in formal negotiations with a third party (i.e., a non-City-affiliated entity) to purchase, acquire, sell, lease or dispose of City-owned real

property, the City Manager shall solicit input from the City Council on the overall basic terms, conditions, and objectives of the proposed transaction. Except in the case of absolute necessity or extreme urgency, the request for authorization to negotiate the proposed transaction shall not be posted on the same meeting date as the request for execution of such transaction so that Council and the public can review the terms. This policy should not preclude the City Manager from engaging in preliminary discussions with a third party to ensure basic levels of mutual interest.

Staff Comments

- Staff is unclear on “formal negotiations.” Negotiation occurs under an ENA to develop the terms that would be brought forward to Council for consideration in a term sheet or Master Development Agreement (MDA) document. Staff can't bring forward basic terms without formal negotiation with the party. Council policy through prior Council resolutions already directs the City Manager to solicit market interest to secure the community vision and resolution directing the City Manager to enter into exclusive negotiation with a preferred master developer to deliver on specified community benefits.
 - Council Review of Offer to Acquire/Lease City Property. If the City receives a good faith offer from a third party to acquire, purchase, or lease a tract of City-owned land or a portion of a City-owned facility, the City Manager shall inform the City Council of such offer by memorandum or via discussion during Executive Session, as consistent with State law, at the earliest available opportunity and in time for Council to direct action if they choose to do so. For purposes of this policy, a good faith offer expressly excludes (i) offers to acquire, purchase, or lease land that cannot be alienated without a public vote, such as City parkland, unless the City Manager believes it is in the interest of the City for the City Council to consider such a request; and (ii) offers to purchase or lease City-owned real estate significantly below market value, unless the City Manager believes it is in the interest of the City for the City Council to consider such a request.

Staff Comments

- (ii) appears to be a revision from a previous version that seems to remove the City Manager’s discretion on whether to bring offers to purchase forward. With this language, we would need to bring forward offers to purchase flood buyout lots of which there are 100’s across the City.
 - *Council Review of Offers to Sell/Donate Real Estate to City.* At the earliest available opportunity, by memorandum or via discussion during executive session, as consistent with State law, the City Manager shall inform the City Council of (i) an offer made by another governmental entity to sell or lease to the City land or real estate interests owned by such governmental entity; and (ii) a good faith offer from a third party, other than a governmental entity, to sell or donate real estate interests to the City (outside those acquisitions or donations made in the ordinary course of business described above).
- **Ground-Leases Favored Over Fee-Simple Sales.** As a general policy, the City should seek to protect its long-term, ownership interests in land and other real property owned by the City and City-affiliated entities. In lieu of selling City-owned property as fee simple to third-party (non-City-affiliated) entities, the City Manager should first consider the use of long-term leases or ground leases. If the City Manager recommends to the City Council that the City sell its ownership interests in fee simple, the recommendation must be accompanied by justification and a financial analysis explaining the benefits of the recommended course of action. This policy is not meant to impair the City’s ability to transfer real estate interests amongst City departments, enterprises, or other City-affiliated entities.
- **Ownership Favored Over Leasing.** As a general policy, the City should own its facilities and avoid, when reasonably prudent, becoming a tenant on long-term leases. This policy should not prevent the City Manager from presenting to the City Council leasing opportunities that make sense from a business perspective, meet an immediate need, or help improve basic services for Austin residents and customers of Austin’s enterprise departments. By May 1, 2023, the City Manager should present to the City Council with an inventory of spaces leased by the City of Austin and a plan

on phasing out such leases.

- **Avoid Long-term Vacancy of City Facilities.** As a general policy, the City should attempt to establish active uses within its facilities to avoid long-term vacancy and underutilization of the City's real estate resources. If the City Manager anticipates that a facility will sit vacant for a long period of time, the City Manager should consider temporary use options, such as civic space, temporary housing, **pop-up art galleries or retail**, and other short-term uses of the space that could benefit the community without affecting the long-term plans for the use of the space. In the event that the City Manager believes a temporary use for vacant facility is cost prohibitive, the City Manager may report such information to the City Council. The City Manager should prepare an annual report for the City Council of City facilities that are vacant or significantly under-utilized, beginning on February 1, 2023. The City Manager shall develop a metric for assessing which facilities are significantly underutilized that takes into account factors such as the building's location, vacant or unused office space, and other opportunities for use of the space.

Staff Comments

- Would recommend clarifying this to City-owned Facilities. City facilities could be defined to include leased spaces. In leased spaces, the City can only change the use subject to landlord approval.
- These uses (pop-up art galleries or retail) would presumably require short-term lease agreements. Would these agreements be subject to the open/competitive process detailed below? The time to develop and issue a solicitation may preclude these short-term temp uses.
- **Leasing Facilities for Community Needs.** The City Manager is directed to establish a fair, transparent, and openly competitive process for the leasing of City-owned facilities. When entering into new leases with nonprofit organizations (or, on a rare occasion, for-profit entities) at a discounted or subsidized rate, such leases should articulate clear outcomes and community benefits and incorporate metrics to ensure that City objectives are being achieved. Where appropriate, the lease should be structured on a short-term basis to provide an opportunity for such organization to build a sustainable foundation without becoming reliant on long-term City subsidization. This policy does not impact long-term leases already

approved by the City Council. The City Manager shall return to City Council with this recommended process by February 1, 2023. Without limitation to the foregoing, if the City is leasing space to a for-profit entity for a below-market rate, such as those currently leased by the Austin Convention Center, then, as part of the backup material for the item to approve of such lease, the City Manager shall quantify the market value for Council and provide the rationale for **how the lease relates to a municipal purpose.**

Staff Comments

- Please confirm if the first sentence is intended to nullify the non-profit lease policy finalized in February.
- Return to Council by February 1, 2023 with a process may be an aggressive timeline. As an example, it took 9 months to arrive at the non-profit lease policy.
- Which leases are referred to in the “currently leased by Austin Convention Center...” statement? All leases at ACCD facilities are established based on market studies and not for a below-market rate.
- Relates to the last sentence “how the lease relates to a municipal purpose” is this a requirement? How is "municipal purpose" defined in this Resolution? As an example, the lease revenue at ACCD garages support the overall operations of the Convention Center, which is a municipal purpose.

- **Current Appraisals.** Prior to executing a contract for the sale or long-term ground lease of any City-owned real property, the City Manager shall obtain an appraisal from a qualified appraiser, with expertise in the area of the property and type of property that is to be sold or leased, concerning the present value of the property, so that the City Council can review comparables when evaluating the recommended price under the proposed transaction. If a proposed transaction extends beyond one year, the appraisal should be updated within sixty (60) days prior to any contract extension, with an opportunity for the City Council to reevaluate the price under the contract, unless market conditions have remained largely unchanged during that period.
- **Right of Way Vacation and Encroachment and License Agreements.** Consistent with Resolution 20140807-092, the preservation of right-of-way represents a significant long-term value for a growing city with significant

infrastructure needs and other Imagine Austin priorities such as place making. As such, any agreements that would alienate such right-of-way (or portions of such right-of-way) should reflect such long-term value and opportunity costs. The City Manager shall review current calculations and review best practices from other cities for assessing the value of right-of-way, including alleys and air rights over right-of-way, and provide recommendations for alternative methods of valuation no later than May 1, 2023.

Staff Comments

- This issue will be touched upon by item #64 on the 10/27 addendum.
- **Transfers Between City Departments and City-Affiliated Entities.** When transferring real estate from a City-affiliated entity such as Austin Energy to a City department or vice versa, the general policy should be that the value of the property should be set no greater than the initial purchase price plus the costs of the maintenance of the property after such acquisition. This policy should not prevent the City Manager from recommending alternative valuations with sufficient justification and rationale.
- **Land Use Considerations.**
 - *Rezoning on City-Owned Land.* In the event that a City-owned property intended to be sold or ground-leased (i) is zoned as Public (P) based district zoning or (ii) requires a rezoning to use the property for the intended—or likely—use of the property, the City Manager should request that the City Council initiate rezoning of such property prior to marketing such property for sale or lease. Nothing in this policy is meant to preclude the City Manager from engaging in public input processes prior to initiating such zoning requests.
 - *Due Diligence.* Prior to presenting a proposal to the City Council for the purchase or acquisition of land, the City Manager will assemble a broad-based team of staff to assess the applicable land use requirements as part of standard due diligence for the property. Such assessment should include the impacts of any overlays, such as the Airport Overlay Zone or any legal covenants or other restrictions tied to the property.

Staff Comments

- In reference to *Rezoning on City-Owned Land* section. The marketing of the property for sale or lease occurs through the RFP/RFQ competitive solicitation based on the community's vision and Council policy underpinning the solicitation. Council initiating rezoning of the property prior to receiving market input from the RFP responses could impair timely negotiations and create a regulatory barrier preventing obtaining the best value that comes through selection and negotiation with a preferred developer. This item should provide flexibility to staff to determine the optimal time to rezone the property based on the nature of the transaction, market input and negotiation stage.

PARTNERSHIPS

- **Joint Uses and Collaboration.** As a general policy, the City should focus on maximizing the value and use of its City-owned land by identifying opportunities to deploy City-owned property for multiple purposes and involving multiple departments or City entities. This multi-use policy should not apply to properties not well suited for development, such as land acquired for flood plain and water quality protection, parkland, and conservation purposes.

Staff Comments

- Is it possible to consider the addition of “or those restricted to a single use.”
 - *Development of Policies and Guidelines.* The City Manager should develop policies and guidelines for internal use to help refine its assessment of the long-term real estate needs of the various departments and enterprises and to identify opportunities for joint use in future developments and redevelopments. On a quarterly basis, the City Manager should prepare an assessment of the various real estate-related needs of the various City departments, enterprise funds, and City-affiliated entities to help identify opportunities for joint-use facilities. The City Manager should also regularly consult with other public entities, such as Travis County, Central Health, and the various public school districts to develop parameters for the consideration of potential partnerships on joint use facilities to serve overall community needs. These policies and guidelines should

consider the possibility of land swaps between City departments, enterprises, and City-affiliated entities and other public entities.

Staff Comments

- Please clarify if it is contemplated that this section suggests that departments may have to relinquish their property for another use regardless of their plans for the property.
 - *Individual Projects.* As part of its initial planning for the development or redevelopment of a site, the City Manager should evaluate whether such property is well-suited for a joint-use facility, per the policies and guidelines referenced above. Prior to recommending to the City Council a project for the development or redevelopment of a single use on City-owned land, the City Manager should provide a memorandum to the City Council explaining (i) the recommendation to proceed with a single use, including a general assessment of the unmet real estate needs of the City that were considered but not selected as a compatible joint use; and (ii) a summary of the outreach efforts to Travis County and the applicable public school district.

Staff Comments

- Please clarify what is intended by initial planning. Which part of the redevelopment phase? During design? Before the RFQ / RFP is released?
 - **Identify Opportunities.** The City Manager is directed to work, collaborate, and consult with the Austin Economic Development Corporation and the Austin Housing Finance Corporation on a continuous basis to evaluate the available supply and inventory of City-owned land and facilities and to identify potential opportunities to develop, redevelop, and co-locate income-restricted housing development, where appropriate, and other Council-adopted priorities, such as child-care centers, alongside City facilities. As part of this work, the City Manager shall annually update the City's inventory of real properties and provide such inventory to the Austin Economic Development Corporation and the Austin Housing Finance Corporation.

Staff Comments

- Please clarify the intention of "where appropriate?" Will departments have an opportunity to engage in conversations about the use of their property/facilities?
- In reference to "real properties", can it be revised to real properties that are either developable or ripe for redevelopment? The City's list of real properties numbers in the thousands.
- **Partner with Austin Economic Development Corporation.** Prior to the issuance of any Request for Proposal (RFP), Request for Qualification (RFQ), or other similar solicitation concerning the development, redevelopment, or ground-leasing of City-owned real property, the City Manager is directed to meet with the Austin Economic Development Corporation (AEDC) to review the objectives of the proposed solicitation and evaluate opportunities for partnership. On a semi-annual basis, the City Manager shall report to the City Council the progress of such partnership, including offering the Austin Economic Development Corporation the ability to provide their direct feedback to the City Council as part of the report or briefing.

Staff Comments

- AEDC and the City have an interlocal agreement and any priority projects for the City can be identified in the agreement. Additionally, the AEDC provides an annual report to the City which highlights projects that are in their portfolio.
- Please clarify if "redevelopment" can be further defined to be limited to those redevelopment projects that are contemplated to a use other than their current municipal purpose.
 - Nothing in this policy is intended to require the City Manager to partner with the AEDC. If the City Manager recommends conducting the solicitation without coordination or use of the Austin Economic Development Corporation (AEDC), the City Manager may recommend an alternative path to the City Council so long as the recommendation includes a general explanation on why a partnership would not be recommended, a brief summary of the conversations that took place with AEDC, and an outline of the

process the City Manager intends to use to perform the solicitation, including a designation of the department to act as the lead for the solicitation.

PRIORITIES

- **Achieve Council-Approved Priorities for All Property.** The Council seeks to achieve the maximum value (community benefits and/or revenue) for the use of City-owned property. The City Manager shall thus incorporate the following **baseline requirements** within each lease of City-owned property and each Request for Proposal (RFP), Request for Qualification (RFQ), or other solicitation concerning the development or redevelopment of City-owned real estate:

Staff Comments:

- Please clarify "baseline requirements" or "baseline goals" as referred to in the Achieve Council-Approved Priorities / Solicitations section.
 - All construction on a City-owned property, whether performed by a City employee or a contractor, must be certified by a third-party to verify that the construction project either (i) complies with or exceeds the City requirements under the Better Builder Certification program, as published for the then-current year, or (ii) complies with or exceeds a similar program, if approved by ordinance, that establishes comparable requirements for (a) the payment of a living wage; (b) completion of OSHA-10 training; (c) workers' compensation; (d) hiring goals from local craft training programs; (e) compliance with all applicable state, federal, and local laws; and (f) independent on-site monitoring. For purposes of this policy, the third-party certification and on-site monitoring may be performed by an employee of the City or a City-affiliated entity.
 - All construction on a City of Austin-owned property should comply with the requirements of the City's Minority-Owned and Women-Owned Business Enterprise Procurement Program in Chapters 2-9A, 2-9B, 2-9C, and 2-9D of the City Code.

- Any lease to a commercial tenant or operator using City-owned real property shall incorporate a requirement that such tenant must comply with the City's living wage standards and shall incorporate a revenue sharing provision.

Staff Comments:

- If this is to apply to projects for which developers or other management entities hold leases to tenants in City-owned or formally City-owned space, this requirement would hinder the ability to secure tenants, particularly non-profit social service tenants and low-cost childcare operators. Certain industries such as restaurants and potentially other industry sectors currently cannot comply with the new living wage rate or require a stepladder, progressive timeline to achieve the living wage rate. Furthermore, the application of community benefits such as living wage and requirements for construction activities (e.g., tenant build-out) to comply with various Council priorities will not be something that an appraiser will be able to account for in a fair market rent study. These requirements will likely result in higher construction and operating costs for a prospective tenant. Accordingly, staff would anticipate needing to discount the proposed rental rate as an enticement for future tenants.
- This requirement will also make it more difficult to secure tenants that operate creative spaces (e.g., art galleries, dance studios, etc.) because they are typically unable to pay living wage rates to all hired staff. Increased operational costs (including labor costs) are a major contributing factor for creative spaces closing in Austin and/or relocating from Austin to neighboring jurisdictions.
- This will be difficult to negotiate for stand-alone revenue leases. Tenants try to avoid percentage leases and overall local market still supports mostly fixed rental rates. Percentage leases introduce an audit obligation that will require extra staff effort. And, when tenants agree to percentage rent, they typically demand a much lower base rent with the idea being that the base + the percentage adds up to the market rate. If implemented, FSD – Real Estate would anticipate the number of prospective tenants to significantly decrease and lease procurement and negotiation timelines to increase.
- This provision makes sense only under certain structures particularly when the City has invested upfront in infrastructure or some other portion of "equity-like" investment. Staff suggests a possible rewording to "shall

incorporate a provision that permits the City to share in the increases in value or revenue beyond an initial base."

- Significant concern for those businesses who might not be able to comply by this. Additionally, please clarify what "revenue-sharing provision entail?"

Alternate Recommendations: If the City Manager recommends diverging from these standards or desires to achieve the proposed results through alternative methods, the City Manager must provide justification and financial analysis along with such recommendation.

- **Achieve Council-Approved Priorities / Solicitations.** In addition to the above **baseline goals**, the City Manager is directed to incorporate the following baseline target goals within each Request for Proposal (RFP), Request for Qualification (RFQ), or other solicitation concerning the development or redevelopment of City-owned real estate:
 - For a solicitation that incorporates housing, the solicitation should include, as baseline target goals, the following guidelines:
 - 85% of the total number of units as income-restricted housing;
 - A significant share of the income-restricted units should be family-sized units (e.g., 2- and 3-bedrooms) with an affirmative marketing plan to match larger units with households that need them;
 - The project should incorporate the City's standard source of income and tenant protections, as well as a preference policy for current and former residents with generational ties to the City; and
 - The project should incorporate deep levels of affordability (e.g., rental rates based upon 50% MFI and below) and/or permanent supportive housing.

Staff Comments:

- When the City engages the community on a vision process for the project, this requirement could supersede or at best limit other community benefits community stakeholder may desire to have on the property. This provision may make financially unfeasible the delivery of other community benefits. The market may in and of itself ascertain that delivering only the baseline

required percentage of income restricted and family friendly units cost prohibitive and could result in lowering the ability to secure income restricted units in a timely fashion on the property.

- As consistent with Resolution No. 20120301-051 and Resolution No. 20210826-108, all new City facilities and City-sponsored projects oriented to the public should include family-friendly features, such as creative play spaces, nature-based play areas, and interactive art spaces.

Staff Comments:

- What is contemplated by the phrase “oriented to the public” as this is not a defined term.
 - As consistent with Resolution 20210826-108, all new City facilities and City-sponsored projects should include affordable, high-quality child care, especially child care facilities that serve infants and toddlers and accept vouchers. The City Manager shall work with United Way Success by Six and other professionals to articulate criteria for “affordable child care,” present this proposed definition to the Early Childhood Council for recommendations, and then bring to City Council for approval by March 1, 2023.

Staff Comments:

- Please clarify whether this applies to facilities that are not “oriented to the public?” Is it contemplated that new facilities such as fire stations or police substations be required to have childcare facilities?

Alternate Recommendations: If the City Manager recommends diverging from these standards (including, without limitation, the target affordability goal) or desires to achieve the proposed results through alternative methods, the City Manager must provide justification and financial analysis along with such recommendation. For a solicitation that does not incorporate housing, the City Manager shall include an explanation of the considerations to not include housing, such as land use compatibility.

Staff Comments:

- Please clarify what is intended to constitute a financial analysis?
 - Please clarify what may be considered as other considerations besides land use compatibility for not including housing.
-
- **Public Review Period.** Prior to placing an item on the City Council agenda for the execution of a contract resulting from any RFP, RFQ, or other solicitation concerning the development, redevelopment, or leasing of City-owned real property, the City Manager shall give a public briefing to Council with an opportunity to receive public input no later than one week prior to Council consideration of the contract. This public process should follow the City's standard anti-lobbying procedures. The presentation from the City Manager should include an explanation of how the recommended action incorporates community benefits and Council direction, as applicable. And, for projects that include housing, the recommendation should detail the proposed goals for housing on the site, including the total number of income-restricted dwelling units, target affordability levels, unit sizes, housing types, and other considerations consistent with the Strategic Housing Blueprint.
 - **City-Owned Parking.** The City Manager shall make recommendations on a parking management strategy that deploys a centralized management system or strategy. As part of its recommendation, the City Manager should recommend whether the City-owned parking facilities (including those serving enterprise funds) should be managed under a centralized management system or under a consistent centralized management strategy to ensure consistency with parking-related goals as stated under the Austin Climate Equity Plan, Austin Strategic Mobility Plan, and other Council-approved policies and to improve the overall financial health of the relevant City departments or enterprises. This parking management strategy should address all City-owned parking, including on-street (metered, valet, etc.) and off-street parking (parking garages, City buildings). Nothing in this Resolution is intended to suggest that all parking must be treated identically; rather, the City should deploy its parking in strategic ways to achieve stated objectives and as consistent with bond and financing requirements and applicable law. For example, parking rates set at the airport might diverge dramatically from parking rates set in Downtown Austin, due to various bond requirements, applicable laws, or

strategic objectives. Prior to Council approval of each fiscal year's budget, the City Manager should recommend adjustments in parking rates in compliance with applicable laws for each facility and provide revenue projections.

Staff Comments:

- Staff would request the following modification to the first sentence: *"The City Manager shall make recommendations on a parking management strategy that deploys a centralized management system or strategy, as consistent with bond financing requirements and applicable law."*
- Please clarify if it is contemplated that an adjustment in parking rates be required every year even if not recommended as part of the budget process.

BE IT FURTHER RESOLVED

If necessary to achieve the above-referenced parking policy, the Council authorizes the City Manager to hire a consultant to study peer cities and comparable governmental entities to make recommendations for the best mechanism to consolidate the City's parking facilities, parking garages, and assets into one entity with the authority to leverage untapped parking supply and to standardize parking rates based on applicable laws, the most current competitive market conditions, and the necessity to cover costs for providing these services. The City Manager should report back to the City Council by May 1, 2023, with the progress of this study.

BE IT FURTHER RESOLVED

That the City Manager is directed to recommend policies for developing and using small tracts of City-owned land (e.g., less than 2 acres in size) that might help achieve the geographic dispersion of affordable housing and other Council-adopted priorities. The City Manager shall report back to Council on this issue by February 1, 2023.

BE IT FURTHER RESOLVED

That the City Manager is directed to prepare a briefing for City Council discussion, prior to November 17, 2022, to discuss partnering with the Austin Economic Development Corporation on potential projects. Prior to such meeting, the City

Manager shall provide to the City Council a memorandum with the status of the ongoing work related to the redevelopment of the City-owned properties located at 505 Barton Springs Road (aka, One Texas Center), 124 W. 8th Street, 3002 Guadalupe, and 411 Chicon. The November 17, 2022, agenda should provide the City Council with an opportunity to provide guidance, via a posted action item, on the future development of such properties.

Staff Comments:

- EDD and AEDC intend to brief Council on the status of the Cultural Trust Fund projects during the November 29 work session. A briefing with AEDC prior to this date might not be feasible.
- Staff would request contemplation to include the requested information in the annual report that AEDC provides to the City Council on the agreed upon cadence in the agreement.