

**Economic
Development**
CITY OF AUSTIN

Request For Proposals 5500 SMW3002 V5 031620

Description : **Redevelopment of 1215 Red River Street and 606 East 12th Street (Former Health-South Rehabilitation Facility)**

Issue Date: November 18, 2019

RFP Response Due Date and Time: April 23, 2020; Prior to 2:00PM CST

Location : Municipal Building, 124 West 8th Street Room 308, Austin, Texas 78701

Live Solicitation Opening Online: For information on how to attend the solicitation closing online, please select this link: <http://www.austintexas.gov/department/bid-opening-webinars>

When submitting a sealed Offer use the proper address for the type of service desired, as shown below:

Address for US Mail (Only)	Address for FedEx, UPS, Hand Delivery or Courier
City of Austin	City of Austin, Municipal Building
Purchasing Office-Response Enclosed for Solicitation # RFP 5500 SMW3002	Purchasing Office-Response Enclosed for Solicitation # RFP 5500 SMW3002
P.O. Box 1088	124 W 8 th Street, Rm 308
Austin, Texas 78767-8845	Austin, Texas 78701
	Reception Phone: (512) 974-2500

Pre-Response Meeting : 10:00 AM CST on January 14, 2020 at Austin Central Library Event Center, 710 West Cesar Chavez Street, Austin, Texas 78701. It will also be available to view online at :

<http://media.swagit.com/austintx/atxn2/>

Site Visit : 2:30 PM on January 14, 2020 at : Building Entrance, 1215 Red River Street, Austin, Texas 78701

(There is no parking available on-site)

Authorized contacts:

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Phone: (512) 974-3349

E-Mail: Lynnette.Hicks@austintexas.gov

For questions on the City's Small Minority and Women-Owned Business Program please contact:

Jolene Cochran, Compliance Coordinator

Phone: (512) 974-7673

E-Mail: SMBRComplianceDocuments@austintexas.gov

Commodity Codes:

96144, 90957, 97163



Estimated Solicitation Schedule Summary (subject to change)

Milestone	Date or Timeframe
1. Solicitation Issue Date	November 18, 2019
2. Pre-Response Meeting/Site Visit	January 14, 2020
3. Deadline for Questions	February 24, 2020
4. Proposals Due	March 26, 2020
5. Interviews/Presentations	To Be Determined (at City's discretion)
6. City Council consideration	Spring 2020



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A. INTRODUCTION AND PURPOSE

I. Introduction and Purpose

The City of Austin, Texas (City), through its Economic Development Department, seeks to sell or lease its downtown properties at 1215 Red River Street and corresponding parking garage at 606 East 12th Street. The site offered is composed of both parcels. Its redevelopment is anticipated to be an innovative, catalyst mixed-use project for northeast downtown. The City is seeking proposals from real estate developers and development teams (collectively a “Proposer”) that are consistent with Austin values and enhance the cultural and economic vitality of the surrounding area.

This Request for Proposals (RFP) is designed to harness the creativity of the market to provide significant community benefits while also improving the City’s financial position. While the site can be developed for a variety of commercial and residential uses, Austin City Council specifically directs that the site and its value be used to increase the supply of housing serving residents earning at or below 60 percent of area median family income. The Proposer that best meets these goals, as determined by a multi-disciplined evaluation panel, will be recommended to City Council for approval.

If accepted by Council, the successful Proposer and the City will then negotiate, in good faith, terms for the parties to move forward and will clarify respective roles and responsibilities including pre-development activities and budgets, as well as key terms and conditions of the sale or ground lease of the property and related development and financial considerations. Certain City requirements regarding construction projects, such as the minority-owned and women-owned business enterprise procurement program, demolition of commercial buildings, and Third-Party agreements, which include paying prevailing wage and ensuring worker safety and project sustainability, will apply. City of Austin staff expects to recommend a Proposer for exclusive negotiations to the Austin City Council by Spring 2020.

The process and factors used to make the selection are further described in the submittals section on pages 19-25 of this solicitation package. The City will make information regarding this solicitation available to prospective bidders through the Austin Finance Online website. **To receive future updates on this solicitation RFP 5500**

SMW3002, subscribe at:

https://www.austintexas.gov/financeonline/account_services/solicitation/solicitations.cfm

Solicitation Summary

Objective:	<p>The City of Austin seeks proposals to redevelop City-owned downtown property through a sale or ground lease. The City expects to:</p> <ul style="list-style-type: none"> • Explore innovative development proposals that increase the Downtown area’s supply of mixed-income housing, including specifically multiple-bedroom housing for households earning at or below 60 percent of area median family income. • Develop the site in a manner that supports Austin values. • Maximize value to the City and its taxpayers through cash and/or in-kind contributions.
Site:	<p>Building: 1215 Red River Street; 1.381 acres; 88,944 sf former rehabilitation hospital; Zoned Public (P)</p> <p>Parking Garage: 606 East 12th Street; 0.349 ac; 27,323 sf (62 spaces); Zoned Commercial (CS-1).</p>
Program:	<p>The City is seeking highest value that addresses affordable housing needs.</p>
Approach:	<p>Proposer to do one of the following:</p> <ul style="list-style-type: none"> • Purchase the property at maximum value that addresses community priorities. • Lease the property either through a fully capitalized ground lease or ground lease with ongoing payments. • Develop a unique transaction structure which provides maximum value to the City in the form of sale or ground lease revenue, affordable housing, and other in-kind benefits, or a hybrid of the two. <p>In all cases, Proposer shall:</p> <ul style="list-style-type: none"> • Offer a development program that includes some on-site affordable housing serving individuals or families earning at/below 60% area median family income. • Lead all regulatory processes including, but not limited to: site plan and building permits and attainment of a Certificate of Occupancy; however, the City will initiate any zoning changes included in the successful Proposal.
Selection:	<p>Based on the evaluation factors listed, a multi-disciplined evaluation panel will make recommendation(s) to Austin City Council for selection.</p>

B. OVERVIEW OF THE PROPERTY

I. Overview of Property

The site is one of the last owned by the City downtown that is designated for redevelopment. It consists of two parcels – 1215 Red River Street and 606 East 12th Street – summing to 1.73 acres of land near an Interstate 35 interchange, the State Capitol complex, and the University of Texas at Austin (UT Austin) campus. The northeast district of downtown Austin blends iconic live music clubs, world-class parks and open spaces, and respected healthcare institutions. The site is four blocks east of the State Capitol complex.

It is adjacent to Central Health’s University Medical Center Brackenridge Campus, which is in process of being demolished for redevelopment, and other commercial, office, and medical buildings (<https://www.centralhealth.net/initiatives/brackenridge-campus/>). A hotel is planned on the northeast corner of 12th and Red River Streets. The site is two blocks south of the new UT Austin medical campus and part of Austin’s innovation district. In 2017, Central Health, Seton Health and UT Austin founded Capital City Innovation, a non-profit focused on creating and expanding the innovation district to attract and support health-related enterprises in the area (<https://www.capitalcityinnovation.org/>).

The site is near significant parks and cultural destinations. The City and its partner Waterloo Greenway, formerly known as the Waller Creek Conservancy, are renovating Waterloo Park across Red River Street; with 11 acres, it is the largest in the chain of extraordinary urban parks planned along Waller Creek and scheduled for a grand reopening in Fall 2020 after significant public and philanthropic investment (<https://waterlogreenway.org>). Five blocks south of the site is the Red River Cultural District, one of Austin’s most diverse and vibrant collections of live music venues; it is represented by a creative community nonprofit with more than 40 local members as diverse as the Austin Symphony Orchestra, the German-Texan Heritage Society, Mohawk Austin and Stubb’s BBQ (<http://reddriverculturaldistrict.org/>). Directly across Interstate Highway 35, the East 11th and 12th Streets area is one of Austin’s oldest neighborhoods, anchored by the African-American Cultural Heritage District (<http://www.austintexas.gov/department/about-aachf>).

The former HealthSouth physical rehabilitation facility building on the site is currently unoccupied and is maintained by the City. The adjacent parking structure fronting on 12th Street is being leased for short-term uses. The City rented chiller and boiler systems for the building after Central Health demolished their shared system. A property condition assessment has not been completed, nor is one planned.

The City recognizes the property's potential and encourages creative responses from the real estate community that incorporate diverse uses. The successful proposal will demonstrate market feasibility as well as meet critical affordable housing needs while upholding Austin's values of sustainability and innovation. The City envisions a pedestrian-oriented, mixed-use development that includes mixed-income housing and strengthens the fabric of the surrounding area. This RFP provides an opportunity for qualified Proposers to demonstrate their experience in developing complex, urban projects through public-private partnerships to reach social, economic, and environmental goals.

II. Project History and City Objectives

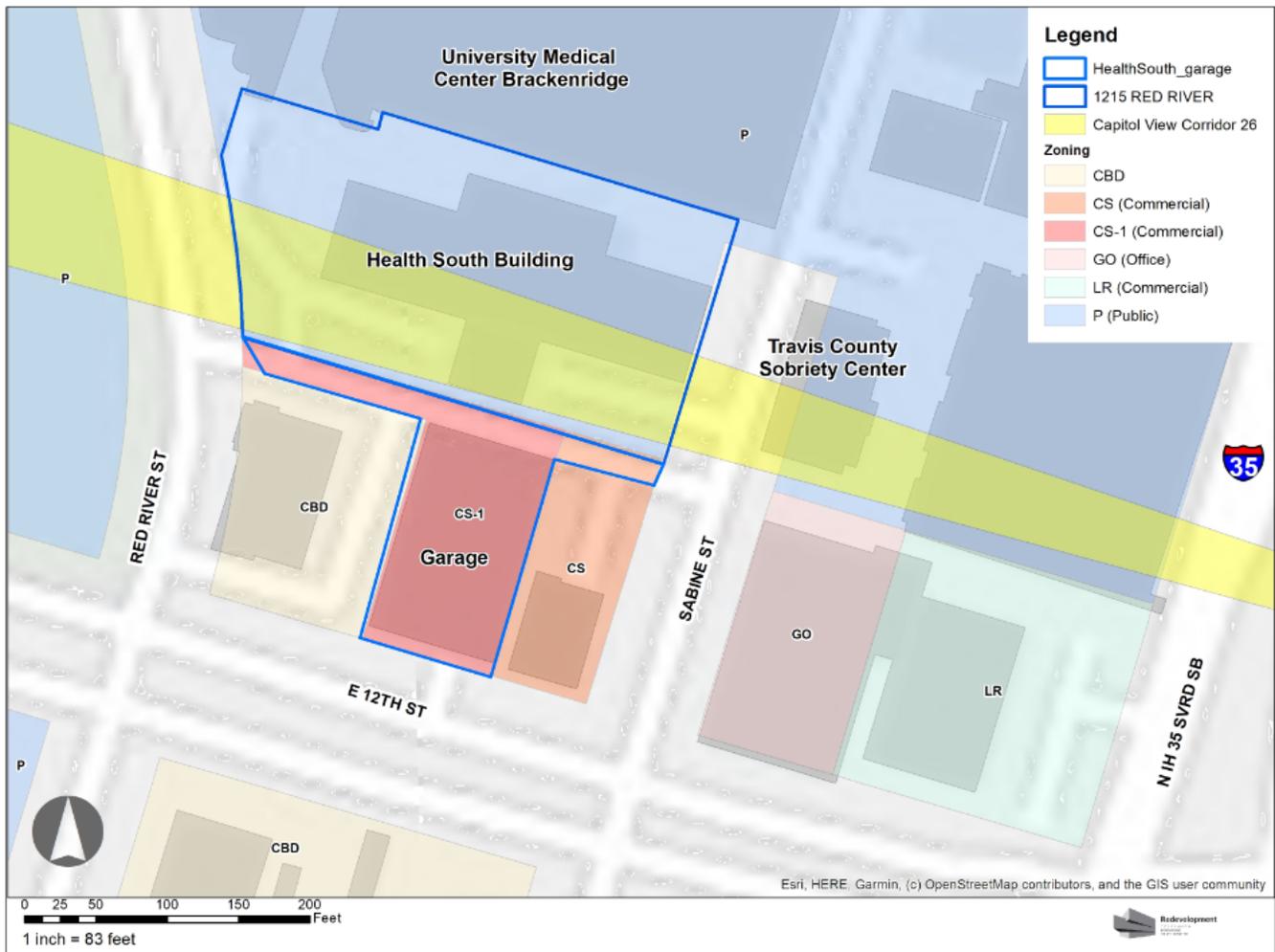
Through a series of acquisitions from 1952 to 1976, the City purchased the site at 1215 Red River, south of Brackenridge Hospital. In 1988, Brackenridge Hospital did not provide physical rehabilitative services at its facility, so the City offered the land for development in order to attract a physical rehabilitative services provider to Austin. Rehab Hospital Services Corporation (RHSC) subsequently executed a ground lease through February 28, 2063, and constructed a four-story rehabilitative hospital facility, which opened in 1990, to provide necessary services adjacent to Brackenridge Hospital. In 1995, RHSC assigned the ground lease to HealthSouth which developed a parking garage with 62 spaces at 606 East 12th Street to serve the facility.

A changing healthcare industry, the development of Dell Seton Medical Center at UT, and the pending closure of Brackenridge Hospital rendered HealthSouth's facility unnecessary. Accordingly, in August 2016, HealthSouth announced its intention to close this facility and approached the City about terminating the lease. On December 15, 2016, Austin City Council authorized staff to acquire HealthSouth of Austin, Inc.'s leasehold interests as tenant and title to the parking garage; the acquisition was completed on February 28, 2017.

On March 23, 2017, City Council directed the City Manager to evaluate redevelopment options for the former HealthSouth site with respect to its potential to provide affordable housing for individuals and families earning at or below 60 percent of area median family income. Council Resolution 20170323-052 requested specific scenarios on building reconfiguration, associated costs and funding strategies as well as a proposed timeline. The response, an evaluation memorandum by the City's consultant, Economic & Planning Systems, Inc. (EPS), is included at Exhibit 9. EPS concluded that reuse of the building may be less efficient than redeveloping the site and leveraging its value to support new affordable housing. EPS recommended exploring the sale or lease of the property and coordinating with Central Health as part of the redevelopment of the Brackenridge Hospital property to the north. Please note that neither EPS nor the City conducted a full engineering review of the building.

With this information, on October 4, 2018, Council directed staff to initiate a solicitation for the redevelopment of the site to include mixed-income housing that incorporated units with multiple bedrooms serving households earning 60 percent of area median family income or below. Council also directed that the solicitation allow respondents to propose in addition to the required on-site affordable housing option one that meets some or all of the affordable housing component off-site, preferably within one mile of downtown. This RFP is in response to Council Resolution 20181004-042, which is included as Exhibit 10. An illustrative map of one-mile area from downtown is included at Exhibit 11 and the Urban Land Institute Austin report is at Exhibit 12; both are referenced in Council Resolution 20181004-042.

III. Zoning & Land Use



The site is located in the central business district of downtown Austin, situated immediately south of University Medical Center Brackenridge and within the Waller Creek District, as defined in the Downtown Austin Plan. A portion of the parcel at 1215 Red River is included in State of Texas and City of Austin Capitol View Corridor (CVC) 26 – East 12th at I35, which limits the allowable height of buildings on the affected portion of the site. The building site is currently zoned Public (P). The garage site is primarily zoned Commercial – Liquor Sales (CS-1) yet a portion also is under General Office (GO). The site is also in the Criminal Justice Center (CJC) overlay. The City anticipates that the existing zoning may need to change to achieve an optimal project, and the City will initiate zoning changes required of the successful proposal.

A restrictive covenant exists on the property and runs to the benefit of and can be enforced by HealthSouth. See Exhibit 1. The restrictive covenant prohibits certain uses that HealthSouth believes would compete with its other Austin facilities. Specifically, the restriction prohibits use of the site as an inpatient physical rehabilitation hospital or as a general or special hospital licensed by the Texas Department of State Health Services. Proposals should comply with the requirements of the restrictive covenant; however, should a proposal include uses currently prohibited by the covenant, the City may negotiate with HealthSouth regarding the release of the restrictive covenant. All terms negotiated by the City would be passed along to the successful Proposer.

IV. Infrastructure & Transportation

The site is served by Austin Water for water, reclaimed water, and wastewater, yet it is currently not served by Austin Energy’s (AE) downtown district chilled water system. The City encourages Proposers to identify space on site for a new district cooling plant facility to benefit the development and surrounding area. The 10,000 ton chiller plant with ice thermal energy storage would occupy an area of approximately 275 feet length by 84 feet in width by 78 feet in height. The facility also requires approximately 10 cooling towers to be located on the roof of a building or garage. Austin Energy will pay all costs associated with the construction of the plant. Detailed specifications, design criteria and cost reimbursements would be refined after developer selection during the exclusive negotiating period for a Master Development Agreement. Using the AE downtown district chilled water system has multiple advantages, including but not limited to: LEED and/or Green Building Program points; reduced electrical connection and structural costs; and over the project’s lifespan, reduced insurance premiums and maintenance costs. For more information on the program, visit <https://austinenergy.com/ae/commercial/commercial-services/on-site-energy-systems/district-cooling>.

The site is one block west of the 12th Street interchange with IH35, the Austin region’s most heavily traveled highway and the primary vehicular route to Downtown Austin. CapMetro bus route #6 stop is on East 12th Street

with multiple additional routes accessible from Trinity Street and IH35 frontage. Walkscore.com rates the site as “excellent transit” and “very bikeable” (<https://www.walkscore.com/score/1215-red-river-st-austin-tx-78701>). The City is currently in negotiations with Central Health to construct and realign Red River Street to return to its historic alignment between 12th and 15th Streets. Additional information on the realignment of Red River is found in Exhibit 13.



C. INSTRUCTIONS, SUBMITTALS, AND EVALUATION FACTORS

1.0 GENERAL

- 1.1 **Solicitation – RFP.** The documents that make up this Solicitation constitute a Request for Proposals (“RFP” or “Solicitation”). This RFP is comprised of three (3) general components including:
 - a. Instructions (this component) describing the City’s competitive process;
 - b. City’s Scope of Work requirements (Introduction, Purpose, and Overview); and
 - c. Submittals, composed of the forms, more detailed instructions for Offerors responding to this Solicitation.
- 1.2 **Authorized Contact Person.** The Authorized Contact Person (or persons) for this Solicitation are listed on the Solicitation’s cover page. The Authorized Contact Person is the only City staff designated by the Purchasing Officer to act on behalf of the City with regards to this Solicitation. Offerors may direct specific questions concerning subcontractors and responding to the Minority-owned Business Enterprise and Women-owned Business Enterprise Procurement Program Statement of Responsibility to the SMBR contact, also listed on the Solicitation’s cover page.
- 1.3 **Vendor Help Desk.** For general questions concerning the City’s online financial services system, Austin Finance Online, Vendor Connection (“Vendor Connection”), Offerors may contact the Vendor Help Desk at (512) 974-2018. Assistance from the Vendor Help Desk is limited to navigating and using Vendor Connection only. The Vendor Help Desk will not respond to any questions concerning a specific Solicitation.
- 1.4 **Review of Documents.** Offerors shall examine all documents that make up the Solicitation and promptly notify the Authorized Contact Person(s) of any perceived omission, ambiguity, inconsistency or error that the Offeror may discover. Offerors shall also notify the Authorized Contact Person(s) of any instructions or requirements in the Solicitation the Offeror perceives to be unduly restrictive or that may unreasonably limit the Offeror’s ability to compete for any contract that may result from this Solicitation. The City assumes no responsibility for any errors, misrepresentations or misinterpretations that result from the use of incomplete Solicitations.
- 1.5 **General Reservations.** The City reserves the right to cancel this Solicitation at any time, before or after the Due Date and Time, and to solicit or procure these same products or services at any time, during or after this Solicitation.

2.0 PUBLICATION, AVAILABILITY AND NOTICES

- 2.1 **Publication and Availability.** This Solicitation was published and is available for viewing and download from Austin Finance Online (AFO).
https://www.austintexas.gov/financeonline/account_services/solicitation/solicitations.cfm
This Solicitation is also available in hardcopy from the City of Austin Purchasing Office. Requests for hardcopies of this Solicitation shall be directed to the Authorized Contact Person(s).
- 2.2 **Initial Notice.** An initial notice of the Solicitation’s availability was issued automatically to all companies or persons registered in Vendor Connection on AFO. This notice was issued to all vendors that indicated their interest in being notified of solicitations for the products and/or services sought in this Solicitation through their selection of NIGP commodity codes in their registration profile. This initial notice was only sent to those vendors that had selected the NIGP

commodity codes identified on the Solicitation's cover page prior to the Solicitation's publication date.

- 2.3 Newspaper and Supplemental Notices. Notices concerning this Solicitation were published in a local newspaper.
- 2.4 Subsequent Notices. **To receive any subsequent notices concerning this Solicitation, all registered vendors, any company or person receiving an Initial or Supplemental notice, or any other company or persons wishing to receive subsequent notices concerning this Solicitation must subscribe to this Solicitation on AFO.**
- 2.5 No-Lobbying. This Solicitation is subject to City Code, Ch. 2-7, Article 6, Anti-Lobbying and Procurement. (https://assets.austintexas.gov/purchase/downloads/New_ALO_Ordinance_No_20180614-056.pdf). The No-Lobbying period for this Solicitation starts on the Published Date displayed on the Solicitation Cover Page. The No-Lobbying Period continues through the earliest of the following: (i) the Solicitation is cancelled, (ii) the last of any resulting contract(s) are executed, or (iii) 60-days following Council authorization of the last contract resulting from this Solicitation. The No-Lobbying Period continues throughout the completion of the solicitation process. During the No-Lobbying Period, Offerors, Respondents and/or their Agents shall not make any prohibited communications to City Officials or City employees other than the Authorized Contact Persons. Respondents includes both prospective and actual Offerors.
- 2.6 Non-Suspension or Debarment. The City of Austin is prohibited from contracting with or making prime or sub-awards to parties that are suspended or debarred or whose principals are suspended or debarred from Federal, State, or City of Austin Contracts. Covered transactions include procurement contracts for goods or services equal to or in excess of \$25,000.00 and all non-procurement transactions.
- 2.7 Non-Conflict of Interest. As provided in Sections 2-7-61 through 2-7-65 of the City Code, no individual with a substantial interest in Offeror may be a City official or employee or may be related to any City official or employee within the first or second degree of consanguinity or affinity. As required by Chapter 176 of the Texas Local Government Code, Offeror must file a Conflict of Interest Questionnaire with the Office of the City Clerk no later than 5:00 P.M. on the seventh (7th) business day after the commencement of contract discussions or negotiations with the City or the submission of an Offer, or other writing related to a potential Contract with the City. The questionnaire is available on-line at the following website for the City Clerk:

<http://www.austintexas.gov/department/conflict-interest-questionnaire>

There are statutory penalties for failure to comply with Chapter 176.

3.0 PRE-OFFER EXCHANGES AND ADDENDA

- 3.1 Questions and Responses. All inquiries concerning this Solicitation shall be directed to the Authorized Contact Person and shall be received no later than 5:00 PM CST on February 24, 2020. Responses which provide additional information or clarification to the solicitation will be provided in an Addenda issued online in AFO. As per section 2.4, only those who have subscribed to the solicitation will be notified when an Addendum is issued.
- 3.2. Pre-Offer Conferences and Site Visits. The City will hold one Pre-Offer Conference and Site Visits to review the contents of this Solicitation and/or provide access to applicable site conditions. The date, location, and time for these meetings is listed on the Solicitation's cover page. Attendance at the Pre-Offer Conference and/or Site Visit is not mandatory but is strongly encouraged.



Attendees requiring reasonable accommodations shall contact the Authorized Contact Person as early as possible to arrange for such accommodations.

- 3.3 Solicitation Addenda and Versions. From the time the Solicitation is published and through the Due Date and Time for Offers, this Solicitation is subject to changes through the issuance of written Solicitation Addenda. Any Solicitation Addenda issued will identify all changes made to the Solicitation. With the publication of each Solicitation Addendum, the City will simultaneously publish the revised version of the Solicitation that includes all of the changes indicated in the Solicitation Addendum. Any explanation, clarification, interpretation or change to the Solicitation made in any other manner is not binding upon the City, and Offerors shall not rely upon such explanation, clarification, interpretation or change. Oral explanations or instructions given before the award of the Contract are not binding.

4.0 OFFER PREPARATION AND CONTENTS

- 4.1 Offer Preparation or Participation Costs. All costs directly or indirectly related to preparation of an Offer as well as costs associated with any subsequent exchanges with the City, including but not limited to travel, lodging, food, presentation expenses and all other expenses related to the Offeror's participation in the competitive process, shall be the sole responsibility of the Offeror.
- 4.2 Alternate Offers. In addition to their primary Offer, Offerors may submit one or more Alternate Offers with differentiated products, services, pricing and/or terms.
- 4.4 Exceptions – RFP. Offerors shall indicate if they take exception to any portions of the Solicitation in their Proposal. Any exceptions included in the Proposal may negatively impact the City's evaluation of the Proposal or may cause the City to reject the Proposal entirely.
- 4.5 Proprietary/Confidential Information. All material submitted to the City becomes public property and is subject to the Texas Public Information Act, Chapter 552, Texas Government Code, upon receipt. If an Offeror does not desire proprietary information in the Offer to be disclosed, each page containing such proprietary information must be identified and marked proprietary at the time of submittal. The City will, to the extent allowed by law, endeavor to protect such information from disclosure. The City may request a review and determination from the Attorney General's Office of the State of Texas, of any Bid contents marked as "Proprietary". A copyright notice or symbol is insufficient to identify proprietary or confidential information.
- 4.6 Proposal Contents. Proposal shall at a minimum include all of the Submittals referenced in this Solicitation, completed, and signed where instructed, including any additional documentation required in response to specific Submittals. Offerors shall comply with any further instructions included in the Submittals.
- 4.7 Format, Material and Copies. Offerors shall submit one (1) paper copy and one (1) electronic copy of the Proposal. The paper copy of the proposal shall contain ink signatures and shall be typed on standard 8 ½" X 11" paper, double-sided, and have consecutively numbered pages. The electronic copy of the proposal shall be in Portable Document Format (.pdf) and submitted on a flash drive. The City requests that Proposal materials (i.e. paper, envelopes) contain post-consumer recycled content that are readily recyclable.

5.0 OFFER SUBMISSION AND OPENING

- 5.1 Submission of Offers. Offers shall be received and time-stamped at the Purchasing Office reception desk, at the location and by the Due Date and Time indicated on the Solicitation's cover page. The time stamp clock at the Purchasing Office reception desk shall be the official time of record. The City will not be responsible for failure of service on the part of the U.S. Postal Office, courier companies, or any other form of delivery service chosen by the Offeror.
- 5.2 Modification or Withdrawal. Offers that have been timely received by the City may be modified in writing at any time prior to the Solicitation Due Date and Time. Offers may be withdrawn in writing, in person, by email or by facsimile, provided that the facsimile is signed by the Offeror, at any time prior to the Solicitation's Due Date and Time. When an Offer is withdrawn, the Purchasing Office will provide the Offeror with a receipt documenting the withdrawal, which must be acknowledged in writing by the Offeror. Withdrawn Offers may be resubmitted, with or without modifications, up to the Solicitation's Due Date and Time.
- 5.3 Late Offers. All Offers received after the Due Date and Time are considered late and will be rejected. Late Offers that are inadvertently received by the City shall be returned to the Offeror. It is the responsibility of the Offeror to ensure that their Offer arrives at the proper location by the time and date indicated. Arrival at the City's mailroom, mail terminal, or post office box will not constitute the Offer arriving on time. The City may, at its sole discretion, receive a late Offer if the City's misdirection or mishandling was the sole or main cause for the Offer's late receipt at the designated location.
- 5.4 Public Opening – RFP. The City will open Proposals at the location, date and time stated on the Solicitation's cover page. Proposals will be opened in a manner that avoids disclosure of their contents. The names of the Offerors responding to this Solicitation will be read aloud and shall be publicly available as of the time of the opening. A document listing the names of the Offerors will be published to Vendor Connection shortly after the opening.

6.0 EVALUATION OF PROPOSALS

- 6.1 Minimum Responsiveness - RFP. Proposals are Minimally Responsive when they include all of the Submittals listed in this Solicitation, completed and with sufficient detail in each to evaluate the Proposal in accordance with Solicitation's Instructions and any further instructions within each Submittal. Proposals that are not Minimally Responsive may be rejected.
- 6.2 Clarifications - RFP. Any time after the opening of Proposals, the City may contact Offerors to ask questions about their Proposal's contents in order to better understand these contents as-written. Responses to clarification questions, whether done verbally or submitted in writing, do not change the Proposal's contents. Clarifications are not to be confused with Discussions as described herein.
- 6.3 Evaluation – RFP. Proposals that are Minimally Responsive will be evaluated based on Evaluation Factors listed in the Submittals section of the Solicitation. Evaluation Factors correspond to their specified Submittals and shall indicate their respective weighting next to each. Submittals not identified as Evaluation Factors will be evaluated on a pass / fail basis in accordance with the Solicitation's Instructions and any further instructions within each Submittal. Although minimum responses are required in all Submittals, the Submittals identified as Evaluation Factors will be used to differentiate the Proposals and to identify which Proposal(s) represent the Best Value to the City. The City's evaluation may be made without Clarifications or Discussions with Offerors. Proposals should, therefore, include the Offeror's most favorable terms.

- 6.4 Discussions and Proposal Revisions – RFP. After completing initial evaluations, the City may enter into Discussions with one or more Offerors submitting the highest rated Proposal(s). Following the completion of Discussions, the City may request Proposal revisions from these Offerors. The City may seek multiple rounds of Discussions and Proposal revisions as deemed necessary by the City. The City may revise its initial evaluations depending on the contents of any Proposal revisions received following these Discussions.
- 6.5 Interviews/Presentations. The City may require that one or more Offeror submitting the highest rated Proposals participate in interviews and/or presentations.
- 6.6 Evaluation Reservations. The City reserves the right to reject or cancel any or all Proposals; reject any Proposals that have material omissions; reject a Proposal submitted by an Offeror who is currently debarred or suspended by the City, State or Federal Government; reject any Proposals that contain fraudulent information; evaluate and as applicable; evaluate and recommend award of any Alternative Proposals received when most advantageous to the City; reject Proposals that include unbalanced unit prices; and/or waive any minor informality in any Proposal or procedure so long as the deviation does not affect the competitiveness of a Proposal or the process.

7.0 AWARD DETERMINATION AND AUTHORIZATION

- 7.1 Award Determination. City staff will recommend Contract award to the Offeror(s) submitting the highest rated Proposal(s) based on the Evaluation Factors set forth in this Solicitation. The Award Determination will be published to AFO and notice will be sent to all Offerors subscribed to the Solicitation.
- 7.4 Contract Formation. After the City has concluded the evaluations, staff will request contract authorization from Council via the issuance of a Request for Council Action. Following Council authorization, staff and the Selected Proposer will negotiate and execute an Exclusive Negotiating Agreement (ENA) leading to the negotiation and execution of a Master Development Agreement (MDA). The ENA will clarify the roles and responsibilities of the City and the Selected Proposer while moving forward only with each other to negotiate a MDA. ENA terms may include, but are not limited to, defining the due diligence and negotiation process and deliverables, performance schedule, financial commitments, entitlement and permitting process, right of entry, and conflicts of interest. Terms would also be included for next steps in the event ENA is terminated without execution of a MDA. The Selected Proposer will also be asked to provide a nonrefundable deposit of \$50,000 at execution of the ENA; these funds will not be used for City staff or consultant costs during the negotiation period, yet may be applied toward property acquisition costs in the event of a successfully completed MDA.

8.0 PROTESTS

- 8.1 The Purchasing Officer has the authority to settle or resolve any claim of an alleged deficiency or protest. The procedures for notifying the City of Austin of an alleged deficiency or filing a protest are listed below. If you fail to comply with any of these requirements, the Purchasing Officer may dismiss your complaint or protest. All protests shall be in writing and state the Offeror is submitting a formal protest. Protests shall be filed with the City at the address below. The City is not responsible for lost or misplaced protests, or to assure the protest is received by the Offeror within the protest deadlines. If the City designee does not receive the protest in a timely manner, the protest will be rejected. The designated address is:

James Scarboro, Purchasing Officer
124 West 8th Street, Suite 310
Austin, Texas 78701

- 8.2 Include the following information in your protest letter and include all information you want considered within the package you submit. Failure to provide the following information may cause rejection of your protest if the materials are not sufficient for the City to adequately consider the nature of your protest:
- a. Company name, mailing address, email address, phone number and name of company individual responsible for submission of the protest;
 - b. Identify the City Solicitation (title, number, department and/or similar);
 - c. State the specific action or decision being protested;
 - d. Indicate the basis for the protest including specific facts and laws upon which the protest is based with back-up documentation;
 - e. Indicate what relief or corrective action you believe City should make;
 - f. Make sure document is signed by an authorized agent of the company.
- 8.3 When to Submit a Protest:
- a. Pre-Submittal: Protests regarding the solicitation. Any protest regarding the solicitation by the City must be filed no later than 5 business days prior to the due date and time for proposals. Any protest filed after that date which raises issues regarding the Solicitation will not be considered.
 - b. Post-Evaluation: Protests regarding the evaluation of Offerors Proposal. Offerors have the right to protest the evaluation of their Proposals including rejection of an Offeror as non-responsive or not responsible, and the notice of the award recommendation by the City. Any protest regarding the evaluation of Proposals by the City must be filed no later than 5 business days after the notice of the rejection is sent or the award recommendation is published. Offerors may only protest the evaluation of their Proposal.
 - c. Post-Award: Protests regarding the award of a contract. Any protest regarding the award of the contract must be filed no later than 10 days after the date of award. Any protest regarding the award of the contract filed after such date will not be considered.
- 8.4 When the City receives a timely written protest, the Purchasing Officer will determine whether the grounds for your protest are sufficient. If the Purchasing Officer decides that the grounds are

sufficient, the Purchasing Office will schedule a protest hearing, usually within five business days. If the Purchasing Officer determines that your grounds are insufficient, the City will notify you of that decision in writing.

- 8.5 The protest hearing is informal and is not subject to the Open Meetings Act. The purpose of the hearing is to give you a chance to present your case, it is not an adversarial proceeding. Those who may attend from the City are: representatives from the department that requested the purchase, the Department of Law, the Purchasing Office, and other appropriate City staff. You may bring a representative or anyone else that will present information to support the factual grounds for your protest with you to the hearing.
- 8.6 A decision will usually be made within fifteen calendar days after the hearing.
- 8.7 The City will send you a copy of the hearing decision after the appropriate City staff has reviewed the decision.
- 8.8 When a protest is filed, the City usually will not make an award until a decision on the protest is made. However, the City will not delay an award if the City Manager or the Purchasing Officer determines that the City urgently requires the supplies or services to be purchased, or failure to make an award promptly will unduly delay delivery or performance. In those instances, the City will notify you and make every effort to resolve your protest before the award.

9.0 DEFINITIONS

Whenever a term defined by the Uniform Commercial Code, as enacted by the State of Texas, is used in the Contract, the UCC definition shall control, unless otherwise defined in the Contract.

- 9.1 **Addendum** – means a written instrument issued by the Contract Awarding Authority that modifies or clarifies the solicitation prior to the Due Date. “Addenda” is the plural form of the word.
- 9.2 **Best Offer** - the best evaluated Offer in response to a Request for Proposals or Request for Qualifications/Statements.
- 9.3 **Best Offeror** - the Offeror submitting the Best Offer.
- 9.4 **City** – means the City of Austin, a Texas home-rule municipal corporation.
- 9.5 **Competitive Sealed Proposal** – means a formal competitive process wherein the City invites offerors to submit Proposals to supply the City with the Goods and/or Services described in the Solicitation document, through which the City will award the resulting Contract to the responsible Offeror submitting the Best Offer.

- 9.6 **Contract** – means a binding legal agreement between the City and the Offeror, regardless of what it may be called, for the procurement of goods or services.
- 9.7 **Contract Awarding Authority** – means a City department authorized to enter into Contracts on behalf of the City.
- 9.8 **Due Date and Time** – means the date and time specified for receipt of Offers.
- 9.9 **Interested Party** – means a person who has a controlling interest in a business entity with whom the City contracts or who actively participates in facilitating the Contract or negotiating the terms of the Contract, including a broker, intermediary, advisor, or attorney for the Offeror
- 9.10 **Late Offer** – means a Proposal that is received after the Due Date and time specified in the Solicitation.
- 9.11 **Offer** – means a complete signed response to a Solicitation including, but not limited to a Request for Proposal.
- 9.12 **Offeror** – means a person, firm, or entity that submits an Offer in response to a City Solicitation. Any Offeror may be represented by an agent after submitting evidence demonstrating the agent’s authority. The agent cannot certify as to his own agency status.
- 9.13 **Proposal** – means a complete, properly signed Offer to a Request for Proposals
- 9.14 **Proposer** – means a person, firm, or entity that submits an Offer in response to a City Solicitation. Any Proposer may be represented by an agent after submitting evidence demonstrating the agent’s authority. The agent cannot certify as to his own agency status. It is interchangeable with “Offeror” for purposes of this Solicitation.
- 9.15 **Purchasing Office** – refers to the Purchasing office in the Financial Services Department of the City.
- 9.16 **Purchasing Officer** – means the director of the Purchasing Office and the principle recipient of procurement authority from the City manager.
- 9.17 **Request for Proposal (RFP)** – means all documents, whether attached or incorporated by reference, utilized for soliciting Proposals.

- 9.18 **Responsible Offeror** – means the financial and practical ability of the Offeror to perform the Contract and takes into consideration resources, expertise, and past performance of the Offeror as well as compliance with all City ordinances concerning the purchasing process.
- 9.19 **Responsive** – means meeting all the requirements of a Solicitation.
- 9.20 **Solicitation** – means a Request for Proposals or RFP

10. **PROPOSAL SUBMITTALS**

- 10.1 Executive Summary.** Provide an Executive Summary that summarizes your RFP response and confirms that the Proposer will comply with the requirements, provisions, terms, and conditions specified in this solicitation. The Executive Summary should be in the form of a standard business letter on official business letterhead and signed by an authorized representative of Proposer. Include the complete name and address of your firm, telephone number, and email address of the person the City of Austin should contact regarding your firm’s response.
- 10.2 Project Concept and Strategy.** The City acknowledges that the specific development concept (uses, design, etc.) and the financial projections and terms proposed for the site will be refined over time and through additional due diligence and negotiations. However, the information provided in response to this RFP will describe the Proposer’s current intent and will serve as a major consideration in the selection of a Proposer. As such, all future adjustments to the proposed concept and financial terms must be justified as a result of additional information or input received during the planning and negotiation process. Please provide your development concept for the site in narrative form with supporting graphics. This concept must correspond with the Financial Proposal (described below). At a minimum, the development concept should include the following elements (not necessarily in this order):
- 10.2.1 Overall Development Program.** Development plan diagram(s) at 1” = 50’ (with a reduction to fit 8 ½” x 11) that clearly indicates the distribution of land uses, infrastructure, and any other major attributes keyed to a table which quantifies those uses and features.
- 10.2.2 Mix and distribution of proposed land uses** (i.e., residential dwelling units by general type, commercial/retail square footage, office square footage, parking, etc.), including projected net and gross densities per gross acre for the project.
- 10.2.3 Zoning and Other Development Issues.** Proposers should describe any zoning changes requested and why it is necessary. A portion of the site is subject to State of Texas and City of Austin Capitol

View Corridor 26 – East 12th at I35, which must be maintained by the successful Proposer.

Development plans should clearly identify the corridor and indicate the proposed development’s compliance with the restrictions. In addition, the City’s selection of a Proposal does not mean the site plan will be accepted or that it meets zoning and permit requirements, as proposed. Proposers should acknowledge and account for any conflicts or issues in developing the proposed development program.

10.2.4 Graphics, perspectives and/or photographic images that represent building types in each land use and density category and key identity elements, amenities or other features.

10.2.5 Public Information Packet. All Proposers shall also include a project summary of no more than two pages that describes the overall concept and community benefits as well as conceptual renderings. Nothing in this submittal may be marked as confidential or proprietary. City staff may release public information packets from all Proposers once an award recommendation from staff to Austin City Council is announced; and the public information packet from the firm recommended by staff will be included in staff’s recommendation to Council for contract authorization.

10.3 Affordable Housing and Other Community Benefits.

10.3.1 Housing Program - Austin City Council set as its highest priority for redevelopment of this site the provision of mixed-income housing that advances the goals of the City’s Strategic Housing Blueprint (<https://austintexas.gov/housingblueprint>). In Resolution 20181004-042, Council specifically seeks *“mixed-income housing, with a significant emphasis on multiple-bedroom housing for households who earn 60% median family income and below. Respondents should propose on-site mixed-income housing and respondents should be allowed the option to maximize Strategic Housing Blueprint goals through off-site affordable housing, preferably within one mile of Downtown, in addition to their on-site proposal.”* Thus, Proposers must include some amount of multi-bedroom housing for households earning at or below 60% median family income on the site, and after that threshold is met, Proposers may also offer an affordable housing option off site, preferably within one-mile of downtown (See Exhibit 11).

10.3.1.1 Proposers shall include a narrative describing the plan in summary and detail to integrate housing for a range of income levels, as described in Council Resolution 20181004-042.

10.3.1.1.1 This should include details for each proposed housing component, including the location, the total number of units, number of units by unit type and income level(s), unit sizes and method and duration of income restrictions.

10.3.1.2 Describe how the proposed Housing Program advances the City’s Strategic Housing Blueprint. Critical to achieving this objective is a Housing Program description that provides the following:

10.3.1.2.1 The number and percentage of income-restricted product serving households earning 60 percent or below the median family income for the Austin MSA.

10.3.1.2.1.1 These housing units are of quality comparable to units offered for sale or rent at market rates;

10.3.1.2.2 The method and duration of income restrictions for these housing units to ensure long-term affordability using a proven, viable mechanism recognized by the Travis County Appraisal District.

10.3.1.2.3 If an alternative approach that provides affordable housing at an off-site location is proposed, indicate the following:

10.3.1.2.3.1 The location at which the affordable housing would be provided (preferably within one mile of downtown Austin);

10.3.1.2.3.2 The Proposer’s current or anticipated control of the off-site parcel;

10.3.1.2.3.3 The existing zoning and other factors affecting the likelihood or realizing the affordable housing on the alternative location; and,

10.3.1.2.3.4 A narrative describing why this alternative may be advantageous to the City, including a greater number and/or lower income levels of affordable units, improved ability to leverage other funding or operational resources, greater land proceeds from the primary development site, or other benefits.

10.3.2 Other Community Benefits. A summary of other community benefits in addition to affordable housing should be included. This may include, but is not limited to, such areas as music, film and cultural arts, health care, workforce and job training, high-quality child care, small and local business participation and/or incorporation of the new AE district cooling plant facility. In addition, over the years, Travis County Courts, Travis County Commissioners Court, Central Health, UT-Dell Medical School, and Integral Care have all expressed interest in the site for health and/or justice-related purposes. The narrative should describe the implementation strategy to incorporate these benefits; highlight any assistance, in place or planned, from the City and other public or non-profit entities; and outline any partnerships or strategies necessary to achieve the benefits. The narrative should also address any physical amenities or programmatic elements that benefit the project and/or the larger

Austin community. If the Proposal includes financial benefits (to the extent supported by project finances) to the community, please describe in this section.

10.4 Financial Proposal - Provide the following information:

10.4.1 Overall Approach to Financing – Describe your intended approach to project financing, including private and public sources, and identification of potential challenges and uncertainties and corresponding mitigation/risk management strategies.

10.4.2 Project Financial Pro Forma –The pro forma represents a critical part of the overall Proposal submission. The pro forma cash flow should provide an estimate of costs and revenues associated with the development concept and the Financial Proposal articulated in the Proposal submission. The pro forma will allow the City to understand the Proposer’s approach to maximizing the feasibility of the project, the potential returns to all parties, and the key conditions/assumptions required to accomplish project feasibility and these returns. The pro forma should be based on available information and the Proposer’s own experience and judgment, recognizing that the pro forma will be refined as the development plan evolves and business terms are negotiated. An illustrative template for the pro forma is included in this RFP package for guidance as Exhibit 15. The City and Proposer will work together during exclusive negotiations to confirm or refine pro forma assumptions and financial feasibility, while ensuring the City’s overall objectives are met. The pro forma is expected to be provided as a “sources and uses of funds” model reflecting the expected timing of the site development, and should include the following information:

10.4.2.1 Predevelopment Expenses – Expected costs and timing of planning, design, and entitlement of the project.

10.4.2.2 Infrastructure Expenses – Expected costs and timing of site preparation and infrastructure.

10.4.2.3 Community Benefits Expenses – Expected costs and timing of components of the community benefits package. To the extent that such benefits may be incorporated into vertical buildings and thus land values (such as housing affordability programs or small and local business lease incentives), those items and their impact on land values should be explained in text as well as the projected land lease/sale proceeds in the pro forma. Projected land values should take into account the Housing Program particularly as it relates to ensuring long term affordability of housing.

10.4.2.4 Vertical Development – Expected absorption schedule and value for each of the various project components. If you propose dedicating any portion of residential units to a public or non-

profit organization through a land trust or similar mechanism, please explain that envisioned mechanism as well as your assumptions regarding the values and revenues that may be attributable to those units in your pro forma.

10.4.2.5 Sources of Funding – In addition to the proceeds from the sale or lease of the vertical buildings, the pro forma should indicate whether other types of funding are expected and from what sources. It is not necessary at this time to distinguish among private financing sources (loans, equity, third-party equity, etc.), but assumed amounts, timing, and potential sources of public or philanthropic funding should be articulated.

10.4.2.6 Cash Flow and Investment Returns – The pro forma should summarize the overall project cash flow, including the Proposer’s return on investment using whatever metric(s) may be preferred by the Proposer (Internal Rate of Return, return on cost, developer fee, profit margin, etc.). The pro forma should clearly indicate the Proposer’s target investment return, above which project net proceeds may be shared with the City and/or community. In addition, the cash flow presented should anticipate inclusion of \$12.2 million for City expenses related to the site.

10.4.2.7 Format - The pro forma must be provided both in paper form as part of the Proposal, and also as a “live” Excel model with active links and formulas on a thumb drive that accompanies the Respondent’s written Proposal. See Exhibit 15 for template. To the extent allowed by law, the City of Austin and its consultants will maintain the confidentiality of certain financial information provided by Proposers as a part of this process. Proposers shall provide confidential financial information in a separate, sealed envelope marked “CONFIDENTIAL.”

10.5 Proposer Experience & Project Management Plan – The Proposer must provide a description of their qualifications to assume the responsibilities required for this development opportunity, including

10.5.1 Firm History and Presence – Years of development experience as a company, signature projects, size and value of property portfolio, location of offices, total employees, and similar information.

10.5.2 Relevant Development Experience - Narrative and diagrams of the Proposer’s relevant development experience. Provide examples of projects of similar scale that are in development, under construction, or have been successfully completed within the last eight years. Relevant projects may include those with one or more of the following types of attributes: mixed-use development combining residential, retail, and/or office; partnerships and/or negotiations with public agency landowners; sustainability and smart growth principles; mixed-income residential components, including market rate and income-restricted units; understanding of community context; and small and local business amenities and resources.

10.5.3 Financial Qualifications – Please provide audited corporate financial statements from each of the past three years reflecting your company’s cash flow and balance sheet. In addition, please provide a listing and description of any bankruptcies and/or litigation that the Proposer has been involved in during the past three years, with a statement regarding the current status of such actions.

10.5.4 References – Please provides references from at least three public sector representatives with whom the Proposer has collaborated on entitling, financing, and developing projects in the past eight years. Please also provide at least three financial references from lenders, equity providers, or other funding partners that have been involved in related development projects in the past five years. The City reserves the right to contact these references, and also to conduct independent research regarding Proposer experience and performance.

10.5.5 Project Management Plan

10.5.5.1 Team Members - The Proposer must provide resumes for key members of the project team that demonstrates the assigned personnel are experienced in executing similar projects. This should include resumes of assigned staff including project roles and responsibilities and tenure at firm and in relevant industry.

10.5.5.2 Approach to Project Management - In addition, the Proposer should describe the plan for the expected efforts to manage the project from beginning to end, including:

10.5.5.2.1 A description of the expected due diligence and negotiation process with the City and other stakeholders;

10.5.5.2.2 A description of the expected process of securing funding agreements with lenders and investors; and

10.5.5.2.3 An expected and reasonable schedule of milestones for the negotiation, entitlement, and development process, including an overall completion target for construction completion.

11. Evaluation of Offers

11.1 Evaluation Factors

RFP Evaluation Factors	Maximum Points
Project Concept and Strategy (Per submittal section 10.2 above)	25
Affordable Housing and Other Community Benefits (Per submittal section 10.3 above)	25
Financial Proposal (Per submittal section 10.4 above)	25
Proposer Experience & Management Plan (Per submittal section 10.5 above)	25
Total	100

11.2 Interviews and/or presentations, Optional. Interviews or presentations may be conducted at the sole discretion of the City. Maximum 25 points

D. REQUIRED FORMS



The undersigned, by his/her signature, represents that he/she is submitting a binding Offer and is authorized to bind the Offeror to fully comply with the Solicitation document contained herein. The Offeror, by submitting and signing below, acknowledges that he/she has received and read the entire document packet sections defined above including all documents incorporated by reference, and agrees to be bound by the terms therein.

By submitting this Offer, the Offeror hereby certifies the following:

1. That its firm and its principals are not currently suspended or debarred from bidding on any Federal, State, or City of Austin Contracts.
2. That it has not in any way directly or indirectly:
 - a. Colluded, conspired, or agreed with any other person, firm, corporation, Offeror or potential Offeror to the amount of this Offer or the terms or conditions of this Offer.
 - b. paid or agreed to pay any other person, firm, corporation Offeror or potential Offeror any money or anything of value in return for assistance in procuring or attempting to procure a contract or in return for establishing the prices in the attached Offer or the Offer of any other Offeror.
3. That it has not received any compensation or a promise of compensation for participating in the preparation or development of the underlying Solicitation or Contract documents. In addition, the Offeror has not otherwise participated in the preparation or development of the underlying Solicitation or Contract documents, except to the extent of any comments or questions and responses in the solicitation process, which are available to all Offerors, so as to have an unfair advantage over other Offerors, provided that the Offeror may have provided relevant product or process information to a consultant in the normal course of its business.
4. That it has not participated in the evaluation of Offers or other decision making process for this Solicitation, and, if Offeror is awarded a Contract no individual, agent, representative, consultant, subcontractor, or sub-consultant associated with Offeror, who may have been involved in the evaluation or other decision making process for this Solicitation, will have any direct or indirect financial interest in the Contract, provided that the Offeror may have provided relevant product or process information to a consultant in the normal course of its business.
5. That it is not presently aware of any potential or actual conflicts of interest regarding this Solicitation, which either enabled Offeror to obtain an advantage over other Offerors or would prevent Offeror from advancing the best interests of the City in the course of the performance of the Contract.
6. That it does not have an employment or other business relationship with any local government officer of the City or a family member of that officer that results in the officer or family member receiving taxable income;
7. That it has not given a local government officer of the City one or more gifts, other than gifts of food, lodging, transportation, or entertainment accepted as a guest, that have an aggregate value of more than \$100 in the

twelve month period preceding the date the officer becomes aware of the execution of the Contract or that City is considering doing business with the Offeror.

8. That it does not have a family relationship with a local government officer of the City in the third degree of consanguinity or the second degree of affinity.

If the Offeror cannot affirmatively swear and subscribe to the forgoing statements, the Offeror shall provide a detailed written explanation with any solicitation responses on separate pages to be annexed hereto.

Company Name: _____

Company Address: _____

City, State, Zip: _____

City Vendor Registration No. _____

Printed Name of Officer or Authorized

Representative: _____

Title: _____

Signature of Officer or Authorized

Representative: _____

Date: _____

Email Address: _____

Phone Number: _____



NON-DISCRIMINATION & RETALIATION CERTIFICATION

City of Austin, Texas

Equal Employment/Fair Housing Office

To: City of Austin, Texas,

I hereby certify that our firm complies with the Code of the City of Austin, Section 5-4-2 as reiterated below, and agrees:

- (1) Not to engage in any discriminatory employment practice defined in this chapter.
- (2) To take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without discrimination being practiced against them as defined in this chapter, including affirmative action relative to employment, promotion, demotion or transfer, recruitment or recruitment advertising, layoff or termination, rate of pay or other forms of compensation, and selection for training or any other terms, conditions or privileges of employment.
- (3) To post in conspicuous places, available to employees and applicants for employment, notices to be provided by the Equal Employment/Fair Housing Office setting forth the provisions of this chapter.
- (4) To state in all Solicitations or advertisements for employees placed by or on behalf of the Contractor, that all qualified applicants will receive consideration for employment without regard to race, creed, color, religion, national origin, sexual orientation, gender identity, disability, sex or age.
- (5) To obtain a written statement from any labor union or labor organization furnishing labor or service to Contractors in which said union or organization has agreed not to engage in any discriminatory employment practices as defined in this chapter and to take affirmative action to implement policies and provisions of this chapter.
- (6) To cooperate fully with City and the Equal Employment/Fair Housing Office in connection with any investigation or conciliation effort of the Equal Employment/Fair Housing Office to ensure that the purpose of the provisions against discriminatory employment practices is being carried out.
- (7) To require of all Subcontractors having fifteen or more employees who hold any Subcontract providing for the expenditure of \$2,000 or more in connection with any Contract with the City subject to the terms of this chapter that they do not engage in any discriminatory employment practice as defined in this chapter

For the purposes of this Offer and any resulting Contract, Contractor adopts the provisions of the City's Minimum Standard Non-Discrimination and Non-Retaliation Policy set forth below.

City of Austin Minimum Standard Non-Discrimination and Non-Retaliation in Employment Policy

As an Equal Employment Opportunity (EEO) employer, the Contractor will conduct its personnel activities in accordance with established federal, state and local EEO laws and regulations.

The Contractor will not discriminate against any applicant or employee based on race, creed, color, national origin, sex, age, religion, veteran status, gender identity, disability, or sexual orientation. This policy covers all aspects of employment, including hiring, placement, upgrading, transfer, demotion, recruitment, recruitment advertising, selection for training and apprenticeship, rates of pay or other forms of compensation, and layoff or termination.

The Contractor agrees to prohibit retaliation, discharge or otherwise discrimination against any employee or applicant for employment who has inquired about, discussed or disclosed their compensation.



Further, employees who experience discrimination, sexual harassment, or another form of harassment should immediately report it to their supervisor. If this is not a suitable avenue for addressing their complaint, employees are advised to contact another member of management or their human resources representative. No employee shall be discriminated against, harassed, intimidated, nor suffer any reprisal as a result of reporting a violation of this policy. Furthermore, any employee, supervisor, or manager who becomes aware of any such discrimination or harassment should immediately report it to executive management or the human resources office to ensure that such conduct does not continue. Contractor agrees that to the extent of any inconsistency, omission, or conflict with its current non-discrimination and non-retaliation employment policy, the Contractor has expressly adopted the provisions of the City's Minimum Non-Discrimination Policy contained in Section 5-4-2 of the City Code and set forth above, as the Contractor's Non-Discrimination Policy or as an amendment to such Policy and such provisions are intended to not only supplement the Contractor's policy but will also supersede the Contractor's policy to the extent of any conflict.

UPON CONTRACT AWARD, THE CONTRACTOR SHALL PROVIDE THE CITY A COPY OF THE CONTRACTOR'S NON-DISCRIMINATION AND NON-RETALIATION POLICIES ON COMPANY LETTERHEAD, WHICH CONFORMS IN FORM, SCOPE, AND CONTENT TO THE CITY'S MINIMUM NON-DISCRIMINATION AND NON-RETALIATION POLICIES, AS SET FORTH HEREIN, **OR** THIS NON-DISCRIMINATION AND NON-RETALIATION POLICY, WHICH HAS BEEN ADOPTED BY THE CONTRACTOR FOR ALL PURPOSES WILL BE CONSIDERED THE CONTRACTOR'S NON-DISCRIMINATION AND NON-RETALIATION POLICY WITHOUT THE REQUIREMENT OF A SEPARATE SUBMITTAL.

Sanctions:

Our firm understands that non-compliance with Chapter 5-4 and the City's Non-Retaliation Policy may result in sanctions, including termination of the contract and suspension or debarment from participation in future City contracts until deemed compliant with the requirements of Chapter 5-4 and the Non-Retaliation Policy.

Term:

The Contractor agrees that this Non-Discrimination and Non-Retaliation Certificate of the Contractor's separate conforming policy, which the Contractor has executed and filed with the City, will remain in force and effect for one year from the date of filing. The Contractor further agrees that, in consideration of the receipt of continued Contract payment, the Contractor's Non-Discrimination and Non-Retaliation Policy will automatically renew from year-to-year for the term of the underlying Contract.

Dated this _____ day of _____, _____

CONTRACTOR _____
Authorized Signature _____
Title _____

NONRESIDENT BIDDER PROVISIONS

Company Name _____

- A. Bidder must answer the following questions in accordance with Vernon's Texas Statutes and Codes Annotated Government Code 2252.002, as amended:

Is the Bidder that is making and submitting this Bid a "Resident Bidder" or a "non-resident Bidder"?

Answer: _____

- (1) Texas Resident Bidder- A Bidder whose principle place of business is in Texas and includes a Contractor whose ultimate parent company or majority owner has its principal place of business in Texas.
- (2) Nonresident Bidder- A Bidder who is not a Texas Resident Bidder.

- B. If the Bidder is a "Nonresident Bidder" does the state, in which the Nonresident Bidder's principal place of business is located, have a law requiring a Nonresident Bidder of that state to bid a certain amount or percentage under the Bid of a Resident Bidder of that state in order for the nonresident Bidder of that state to be awarded a Contract on such bid in said state?

Answer: _____ Which State: _____

- C. If the answer to Question B is "yes", then what amount or percentage must a Texas Resident Bidder bid under the bid price of a Resident Bidder of that state in order to be awarded a Contract on such bid in said state?

Answer: _____



STATEMENT OF RESPONSIBILITY

Minority-owned Business Enterprise and Women-owned Business Enterprise

Procurement Program

City Code chapter 2-9C, as amended, establish a Minority-owned Business Enterprise and Women-owned Business Enterprise (MBE/WBE) Procurement Program in Non-Professional Services. The aim of this program is to promote MBE and WBE participation in City procurement, through its prime contract awards and subcontracts, and to afford MBEs and WBEs an opportunity to compete for City contracts. In particular, this program encourages Consultants to provide opportunities to certified MBEs and WBEs for subcontracts or related contracts. A "Subconsultant" is defined by the Ordinance and for the purposes of this form as any person, Firm, or Business Enterprise providing professional or non-professional to a prime Consultant if such professional or nonprofessional services are procured or used in fulfillment of the prime Consultant's obligations arising from a Contract with the City. In accordance with City Code Chapter 2-9C, as amended, goals for MBE and WBE participation differ from contract to contract, based on the type of contract, the availability of MBEs and WBEs to perform the functions of the contract, and other factors.

Although the specific scopes of work and the magnitude of the scopes for this solicitation cannot be determined at this time, the City will issue goals once the scopes have been identified. At that time, the Proposer shall submit a MBE/WBE Compliance Plan meeting such goals or documentation detailing their Good Faith Efforts to meet the established MBE/WBE goals. The Compliance Plan will be reviewed and approved by the Small and Minority Business Resources Department.

I understand that I am responding to a Request for Proposal (RFP) Solicitation. If chosen for this solicitation, the City of Austin will require me to comply with the City's MBE/WBE Procurement Program, and this signed Statement of Responsibility is my commitment to the requirements of the MBE/WBE Procurement Program which are a part of my contract with the City of Austin.

Name and Title of Authorized Representative (Print or Type)

Signature

Date

E. EXHIBITS

1. Covenant of Use Restriction between City of Austin and HealthSouth Corporation dated February 28, 2017
2. Title Commitment dated October 22, 2019
3. HealthSouth building plans
4. HealthSouth garage plans
5. City of Austin Ordinance 20161215-019 amending Office of Real Estate Services' Capital Budget
6. Austin City Council Resolution 20161215-020 declaring Council's intent to reimburse itself
7. Request for Council Action 20161215-038 authorizing the acquisition of HealthSouth of Austin, Inc. leasehold interest with additional information.
 - a. Request for Council Action
 - b. Site photos 1
 - c. Site photos 2
 - d. Aerial Map
8. Austin City Council Resolution 20170323-052 directing City Manager to evaluate potential of former HealthSouth site to provide affordable housing
9. Memorandum from Lauraine Rizer transmitting EPS memorandum "Economic Analysis of HealthSouth Property Reuse as Housing," November 20, 2017
10. Austin City Council Resolution 20181004-042 directing City Manager to initiate a solicitation for former HealthSouth site
11. Map of area one mile from Downtown as mentioned in Resolution 20181004-042
12. ULI Austin Report: "City of Austin 5 Sites Considered for Affordable Housing ULI Affordability Strategic Council Ranking" July 30, 2018 as mentioned in Resolution 20181004-042
13. Future realignment of Red River Street
 - a. Request for Council Action (RCA) 20190619-078 authorizing interlocal agreement between City and Central Health to construct and realign Red River Street
 - b. RCA 20190619-078 Backup - Statement of Terms of Proposed Interlocal Agreement
 - c. RCA 20190619-078 Backup - Red River Realignment Opportunity concept map
 - d. Select engineering plans for Red River Realignment adjacent to project site
14. UT News Release "Demolition, Redevelopment of Downtown Health District Property Will Fund Local Health Care Needs," August 8, 2019
15. Template for project financial pro forma

EXHIBIT 1

Covenant of Use Restriction between City of Austin and HealthSouth Corporation dated February 28, 2017

Recording requested by and
when recorded mail to:

HealthSouth Corporation
3660 Grandview Parkway, Suite 200
Birmingham, AL 35243
Attention: David W. Stephenson

COVENANT OF USE RESTRICTION

This COVENANT OF USE RESTRICTION is executed as of the 28th day of February, 2017, by the **City of Austin**, a Texas home-rule city and municipal corporation situated in Travis, Williamson and Hays County, Texas (the "City"), whose address is P.O. Box 1088, Austin, Texas, 78767-8839, Attention: Office of Real Estate Services, in favor of **HealthSouth Corporation** ("HealthSouth"), a Delaware corporation, whose address is 3660 Grandview Parkway, Suite 200, Birmingham, Alabama 35243, Attention: Real Estate Department.

Recitals

A. Contemporaneously herewith, HealthSouth Rehabilitation Hospital of Austin, Inc., a Delaware corporation, an affiliate of HealthSouth, is conveying its leasehold interest in that certain real property in Travis County, Texas, which is more particularly described on Exhibit A attached hereto and made a part hereof (the "Restricted Property") to the City.

B. The City and HealthSouth desire to restrict the Restricted Property from being used as an inpatient rehabilitation facility as part of the consideration for the transfer of the Restricted Property to the City.

Agreement

NOW, THEREFORE, in consideration of the Recitals and the mutual promises herein contained, and for other good and valuable consideration, the receipt and sufficiency of which are acknowledged, the City agrees as follows:

1. Use Restriction. The City hereby covenants and agrees that no part of the Restricted Property shall be occupied or used as an inpatient physical rehabilitation hospital operated as a general or special hospital licensed by the Texas Department of State Health Services (or other succeeding regulatory agency having jurisdiction) that provides comprehensive medical rehabilitation services at the Restricted Property (the "Use Restriction"). Notwithstanding the foregoing, the Use Restriction shall not limit (i) ancillary rehabilitation services that are incidental to patient care provided in connection with inpatient hospital care, and (ii) inpatient rehabilitation programs providing services other than physical rehabilitation, including substance abuse treatment, narcotics treatment, or mental health services. In no event shall the foregoing subsection (i) be interpreted to permit a hospital to operate an inpatient physical rehabilitation unit. The Use Restriction shall remain in full force and effect for the benefit of HealthSouth, its successors and assigns. In the event of a breach of the Use Restriction, HealthSouth's remedies at law would be inadequate and therefore, in such event, HealthSouth shall be entitled to all remedies available at law or in equity, provided that the City

shall have no personal responsibility or liability hereunder as a consequence of hereafter conveying title to the Restricted Property "subject to" the Use Restriction set forth herein.

2. Notices. All notices, requests, demands or other communications required or permitted under this instrument shall be in writing and delivered to the addresses set forth above either: (i) by certified U.S. Mail, or (ii) by a recognized overnight courier service (such as Fed Ex). All notices given in accordance with the terms hereof shall be deemed received on the next business day if sent by overnight courier or five (5) days after mailing. Either party hereto may change the address for receiving notices, requests, demands or other communication by notice sent in accordance with the terms of this Section 2.

3. Applicable Law. This instrument shall be governed by and construed in accordance with the laws of the State of Texas.

4. Severability. In case any one or more of the provisions contained in this instrument shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision hereof, and this instrument shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein.

5. Entire Agreement. This instrument contains the entire agreement relating to the rights herein granted and the obligations herein assumed. Any or all representations or modifications concerning this instrument shall be of no force and effect except for a subsequent modification in writing signed by the parties hereto.

6. Covenants Run With the Land; Binding Effect. The rights, obligations and benefits established pursuant to this instrument shall run with the land and shall be binding upon the owner of the Restricted Property and its successors and assigns and all subsequent owners of any portion of the Restricted Property for a period ending upon the earlier of (i) forty-seven (47) years or the (ii) cessation of operations of HealthSouth in the Austin Metropolitan Statistical Area. Nothing contained herein is intended nor shall it be construed as creating any rights in or for the benefit of the general public.

7. Construction. Whenever the context hereof so requires, reference to the singular shall include the plural and likewise, the plural shall include the singular; words denoting gender shall be construed to mean the masculine, feminine or neuter, as appropriate; and specific enumeration shall not exclude the general, but shall be construed as cumulative of the general recitation.

8. Waiver and Amendment. No breach of any provision hereof can be waived unless in writing. Waiver of any one breach shall not be deemed to be a waiver of any other breach of the same or any other provision hereof. This instrument may be amended only by a written agreement executed by HealthSouth.

[Signature Page Follows]

IN WITNESS WHEREOF, the City has caused this instrument to be executed by its duly authorized representative as of the date first written above.

City of Austin

By: Lauraine Rizer
Name: Lauraine Rizer
Title: Officer

STATE OF TEXAS

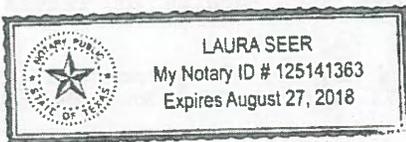
COUNTY OF TRAVIS

I, the undersigned, a Notary Public in and for said county in said state, hereby certify that Lauraine Rizer, whose name as Officer of the City of Austin, is signed to the foregoing instrument and who is known to me, acknowledged before me on this day that, being informed of the contents of such instrument, he, as such officer and with full authority, executed the same voluntarily on the day the same bears date for and as the act of said City.

GIVEN under my hand and official seal of office, this 28 day of February, 2017.

[NOTARIAL SEAL]

Laura Seer
Notary Public



My Commission Expires: 8/27/18

EXHIBIT "A"

PROPERTY DESCRIPTION
OF

1.382 acres of land being out of and a part of Lot 5 through 8 inclusive, Block 143, of the Original City of Austin, Travis County, Texas, according to a map or plat of said Original City of Austin on file in the General Land Office of the State of Texas, and being out of and a part of certain portions of Red River and 13th Streets as vacated by the City Council of the City of Austin, in Ordinances Number 76 0318-D and 75 0529-A respectively, said Lots 5 through 8 inclusive, Block 143 and said vacated Red River and 13th Streets were conveyed to the City of Austin, a municipal corporation, by the following seven (7) instruments:

- (1) Warranty Deed dated May 30, 1952, recorded in Volume 1264, Pages 172-173 of the Deed Records of Travis County, Texas;
- (2) Warranty Deed dated March 10, 1965, recorded in Volume 2930, Pages 544-546 of the Deed Records of Travis County, Texas;
- (3) Warranty Deed dated May 26, 1965, recorded in Volume 2968, Pages 1902-1903 of the Deed Records of Travis County, Texas;
- (4) Warranty Deed dated June 15, 1970, recorded in Volume 3870, pages 1340-1341 of the Deed Records of Travis County, Texas;
- (5) Warranty Deed dated December 29, 1970, recorded in Volume 3977, Pages 1107-1108 of the Deed Records of Travis County, Texas;
- (6) Ordinance No. 75 0529-A dated May 29, 1975, recorded in Volume 5234, Pages 2071-2074 of the Deed Records of Travis County, Texas; and
- (7) Ordinance No. 76 0318-D dated March 18, 1976, recorded in Volume 5539, Pages 2237-2240 of the Deed Records of Travis County, Texas;

said 1.382 acres of land being more particularly described by metes and bounds as follows:

BEGINNING: at a found chiseled "+" in concrete at the Southeast corner of said Lot 5, Block 143, same being at the intersection of the North Right of Way Line of East 12th Street Alley, with the West Right of Way Line of Sabine Street, and also being the Southeast corner of this parcel:

THENCE: NORTH 71 deg. 09' 00" West, (said bearing being a reference bearing for all bearings in this description), a distance of 308.21 feet along the South line of this parcel and said Lots 5 through 8 inclusive, Block 143, and their Westerly prolongation and the North Right of Way of East 12th Street Alley to a found chiseled "+" in concrete in the East Right of Way Line of relocated Red River Street and being the Southwest corner of this parcel and being a point on a curve whose radius bears North 88 deg. 49' 44" West, a distance of 590.00 feet;

THENCE: the following courses along the West line of this parcel and the relocated East Right of Way Line of Red River Street:

94.58 feet along the arc of a curve to the left, having a radius of 590.00 feet and a central angle of 09 deg. 11' 06" and whose chord bears North 03 deg. 25' 17" West, a distance of 94.48 feet to a found 1/2" iron pin being a Point of Tangency;

NORTH 08 deg. 03' 01" West, a distance of 34.54 feet to a set 1/2" iron pin being an angle point; and

NORTH 19 deg. 00' 44" East, a distance of 49.06 feet to a found 1/2" iron pin being the Northwest corner of this parcel;

THENCE: the following courses along the North boundary of this parcel:

SOUTH 71 deg. 20' 15" East, a distance of 99.89 feet to a found 5/8" iron pin being an angle point;

NORTH 16 deg. 28' 45" East, a distance of 12.24 feet to a found chiseled "+" in concrete being an angle point; and

SOUTH 71 deg. 08' 07" East, a distance of 260.60 feet to a found chiseled "+" in concrete in the West Right of Way Line of Sabine Street and being the Northeast corner of this parcel;

THENCE:

SOUTH 19 deg. 00' 07" West, a distance of 179.79 feet along the East line of this parcel and the West Right of Way Line of Sabine Street to a found chiseled "+" in concrete being the POINT OF BEGINNING, and containing 1.382 acres of land.

12/30/93



Stephen E. Schultz
1/4/94

AFTER RECORDING, RETURN TO CITY OF AUSTIN:

City of Austin

Office of Real Estate Services

Attn: Laura Seer

505 Barton Springs Rd., Ste. 1350

Austin, Texas 78704

Project Name: HealthSouth

TCAD: 02-0805-1117

EXHIBIT 2

Title Commitment dated October 22, 2019

SCHEDULE A

Effective Date: October 22, 2019 at 8:00 AM
Commitment No.: CTA1903023

GF No.: CTA-21-CTA1903023G
Issued: October 29, 2019 at 8:00 AM

1. The policy or policies to be issued are:
 - a. OWNER'S POLICY OF TITLE INSURANCE (Form T-1)
(Not applicable for improved one-to-four family residential real estate)
Policy Amount: TBD
PROPOSED INSURED: TBD
 - b. TEXAS RESIDENTIAL OWNER'S POLICY OF TITLE INSURANCE
ONE-TO-FOUR FAMILY RESIDENCES (Form T-1R)
Policy Amount:
PROPOSED INSURED:
 - c. LOAN POLICY OF TITLE INSURANCE (Form T-2)
Policy Amount: TBD
PROPOSED INSURED:
Proposed Borrower: TBD
 - d. TEXAS SHORT FORM RESIDENTIAL LOAN POLICY OF TITLE INSURANCE (Form T-2R)
Policy Amount:
PROPOSED INSURED:
Proposed Borrower:
 - e. LOAN TITLE POLICY BINDER ON INTERIM CONSTRUCTION LOAN (Form T-13)
Policy Amount:
PROPOSED INSURED:
Proposed Borrower:
 - f. OTHER
Policy Amount:
PROPOSED INSURED:
2. The interest in the land covered by this Commitment is:
Fee Simple
3. Record title to the land on the Effective Date appears to be vested in:
The City of Austin, Texas

SCHEDULE A

(continued)

4. Legal description of land:

Tract 1: Lot 1, Block 143, of RESUBDIVISION OF LOT 3 AND A PORTION OF LOT 2, BLOCK 143, ORIGINAL CITY OF AUSTIN, TRAVIS COUNTY, TEXAS, a subdivision in Travis County, Texas, according to the map or plat thereof, recorded in Volume 100, Pages 9-10, Plat Records of Travis County, Texas.

Tract 2: 1.392 acres of land being out of and a part of Lot 5 through 8 inclusive, Block 143, of the Original City of Austin, Travis County, Texas, according to a map or plat of said Original City of Austin on file in the General Land Office of the State of Texas, and being out of and a part of certain portions of Red River and 13th Streets as vacated by the City Council of the City of Austin, in Ordinances Number 76 0318-D and 75 0529-A respectively, said Lots 5 through 8 inclusive, Block 143 and said vacated Red River and 13th Streets were conveyed to the City of Austin, a municipal corporation, by the following seven (7) instruments:

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(4) Warranty Deed dated June 15, 1970, recorded in Volume 3870, pages 1340-1341 of the Deed Records of Travis County, Texas;

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(6) Ordinance No. 75 0529-A dated May 29, 1975, recorded in Volume 5234, Pages 2071-2074 of the Deed Records of Travis County, Texas; and

(7) Ordinance No. 76 0318-D dated March 18, 1976, recorded in Volume 5539, Pages 2237-2240 of the Deed Records of Travis County, Texas;

said 1.382 acres of land being more particularly described by metes and bounds as follows:

BEGINNING: at a found chiseled "+" in concrete at the Southeast corner of said Lot 5, Block 143, same being at the intersection of the North Right of Way Line of East 12th Street Alley, with the West Right of Way Line of Sabine Street, and also being the Southeast corner of this parcel;

THENCE: NORTH 71 deg. 09' 00" West, (said bearing being a reference bearing for all bearings in this description), a distance of 308.21 feet along the South line of this parcel and said Lots 5 through 8 inclusive, Block 143, and their Westerly prolongation and the North Right of Way of East 12th Street Alley to a found chiseled "+" in concrete in the East Right of Way Line of relocated Red River Street and being the Southwest corner of this parcel and being a point on a curve whose radius bears North 88 deg. 49' 44" West, a distance of 590.00 feet;

THENCE: the following courses along the West line of this parcel and the relocated East Right of Way Line of Red River Street:

94.58 feet along the arc of a curve to the left, having a radius of 590.00 feet and a central angle of 09 deg. 11' 06" and whose chord bears North 03 deg. 25' 17" West, a distance of 94.48 feet to a found 1/2" iron

SCHEDULE A

(continued)

pin being a Point of Tangency;

NORTH 08 deg. 03' 01" West, a distance of 34.54 feet to a set 1/2" iron pin being an angle point; and

NORTH 19 deg. 00' 44" East, a distance of 49.06 feet to a found 1/2" iron pin being the Northwest corner of this parcel;

THENCE: the following courses along the North boundary of this parcel:

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SOUTH 71 deg. 08' 07" East, a distance of 260.60 feet to a found chiseled "+" in concrete in the West Right of Way Line of Sabine Street and being the Northeast corner of this parcel;

THENCE: SOUTH 19 deg. 00' 07" West, a distance of 179.79 feet along the East line of this parcel and the West Right of Way Line of Sabine Street to a found chiseled "+" in concrete being the POINT OF BEGINNING, and containing 1.382 acres of land.

NOTE: The Company is prohibited from insuring the area or quantity of the land described herein. Any statement in the above legal description of the area or quantity of land is not a representation that such area or quantity is correct, but is made only for informational and/or identification purposes and does not override Item 2 of Schedule B hereof.

END OF SCHEDULE A

**SCHEDULE B
EXCEPTIONS FROM COVERAGE**

Commitment No.: CTA1903023

GF No.: CTA-21-CTA1903023G

In addition to the Exclusions and Conditions and Stipulations, your Policy will not cover loss, costs, attorney's fees, and expenses resulting from:

1. The following restrictive covenants of record itemized below (We must either insert specific recording data or delete this exception):

Those set out in plat recorded in Volume 100, Pages 9-10, Plat Records of Travis County, Texas. (as to Tract 1)

Those set out in Document No. 2017034150, Official Public Records of Travis County, Texas. (as to Tract 2)

Omitting any covenants or restrictions, if any, including but not limited to those based upon race, color, religion, sex, sexual orientation, familial status, marital status, disability, handicap, national origin, ancestry, or source of income, as set forth in applicable state or federal laws, except to the extent that said covenant or restriction is permitted by applicable law.
2. Any discrepancies, conflicts, or shortages in area or boundary lines, or any encroachments or protrusions, or any overlapping of improvements.
3. Homestead or community property or survivorship rights, if any of any spouse of any insured. (Applies to the Owner Policy only.)
4. Any title or rights asserted by anyone, including, but not limited to, persons, the public, corporations, governments or other entities,
 - a. to tidelands, or lands comprising the shores or beds or navigable or perennial rivers and streams, lakes, bays, gulfs or oceans, or
 - b. to lands beyond the line of the harbor or bulkhead lines as established or changed by any government, or
 - c. to filled-in lands, or artificial islands, or
 - d. to statutory water rights, including riparian rights, or
 - e. to the area extending from the line of mean low tide to the line of vegetation, or the rights of access to that area or easement along and across that area.(Applies to the Owner Policy only.)
5. Standby fees, taxes and assessments by any taxing authority for the year 2019 and subsequent years; and subsequent taxes and assessments by any taxing authority for prior years due to change in land usage or ownership; but not those taxes or assessments for prior years because of an exemption granted to a previous owner of the property under Section 11.13, Texas Tax Code, or because of improvements not assessed for a previous tax years. (If Texas Short Form Residential Mortgagee Policy of Title Insurance (T-2R) is issued, that policy will substitute "which become due and payable subsequent to Date of Policy" in lieu of "for the year 2019 and subsequent years.")
6. The terms and conditions of the documents creating your interest in the land.
7. Materials furnished or labor performed in connection with planned construction before signing and delivering the lien document described in Schedule A, if the land is part of the homestead of the owner. (Applies to the Mortgagee Title Policy Binder on Interim Construction Loan only, and may be deleted if satisfactory evidence is

SCHEDULE B
EXCEPTIONS FROM COVERAGE

(continued)

furnished to us before a binder is issued.)

8. Liens and leases that affect the title to the land, but that are subordinate to the lien of the insured mortgage. (Applies to Mortgagee Policy (T-2) only.)
9. The Exceptions from Coverage and Express Insurance in Schedule B of the Texas Short Form Residential Mortgagee Policy of Title Insurance (T-2R). (Applies to Texas Short Form Residential Mortgagee Policy of Title Insurance (T-2R) only. Separate exceptions 1 through 8 of this Schedule B do not apply to the Texas Short Form Residential Mortgagee Policy of Title Insurance (T-2R).
10. The following matters and all terms of the documents creating or offering evidence of the matters (We must insert matters or delete this exception):

- a. Those liens created at closing, if any, pursuant to lender instructions.
- b. Rights of parties in possession.

(OWNER POLICY ONLY)

- c. All leases, grants, exceptions or reservations of coal, lignite, oil, gas and other minerals, together with all rights, privileges, and immunities relating thereto, appearing in the Public Records whether listed in Schedule B or not. There may be leases, grants, exceptions or reservations of mineral interest that are not listed.
- d. The following exception will appear in any policy issued (other than the T-1R Residential Owner's Policy of Title Insurance and the T-2R Short-Form Residential Loan Policy) if the Company is not provided a survey of the Land, acceptable to the Company, for review at or prior to closing:

Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the title that would be disclosed by an accurate and complete land survey of the Land.

- e. If any portion of the proposed loan and/or the Owner's Title Policy coverage amount includes funds for immediately contemplated improvements, the following exceptions will appear in Schedule B of any policy issued as indicated:

Owner's and Loan Policy(ies): Any and all liens arising by reason of unpaid bills or claims for work performed or materials furnished in connection with improvements placed, or to be placed, upon the subject land. However, the Company does insure the insured against loss, if any, sustained by the Insured under this policy if such liens have been filed with the County Clerk of County, Texas, prior to the date hereof.

Owner's Policy(ies) Only: Liability hereunder at the date hereof is limited to \$. Liability shall increase as contemplated improvements are made, so that any loss payable hereunder shall be limited to said sum plus the amount actually expended by the insured in improvements at the time the loss occurs. Any expenditures made for improvements, subsequent to the date of this policy, will be deemed made as of the date of this policy. In no event shall the liability of the Company hereunder exceed the face amount of this policy. Nothing contained in this paragraph shall be construed as limiting any exception or any printed provision of this policy.

Loan Policy(ies) Only: Pending disbursement of the full proceeds of the loan secured by the lien instrument set forth under Schedule A hereof, this policy insures only to the extent of the amount actually disbursed, but increase as each disbursement is made in good faith and without knowledge of any defect

**SCHEDULE B
EXCEPTIONS FROM COVERAGE**

(continued)

in, or objections to, the title up to the face amount of the policy. Nothing contained in this paragraph shall be construed as limiting any exception under Schedule B, or any printed provision of this policy.

- f. Easement(s) for the purpose(s) shown below and rights incidental thereto as delineated or as offered for dedication, on the map of said tract/plat;

Purpose: 10' electric
Affects: front and rear lot lines
Recording No: Volume 100, Pages 9-10, Plat Records of Travis County, Texas

(Tract 1)

- g. Easement(s) for the purpose(s) shown below and rights incidental thereto, as reserved in a document:

Retained to: City of Austin
Purpose: As provided in said instrument
Recording No: Volume 5388, Page 1230, Deed Records of Travis County, Texas as amended in Volume 5539, Page 2237, Deed Records of Travis County, Texas
Affects: Tract 2

- h. Matters contained in that certain document

Entitled: Resolution
Recording Date: November 17, 1988
Recording No: Volume 10812, Page 303, Real Property Records, Travis County, Texas

Reference is hereby made to said document for full particulars.

(Tract 2)

- i. This item has been intentionally deleted in its entirety.

- j. Matters contained in that certain document

Entitled: License Agreement
Recording Date: January 7, 1997
Recording No: Volume 12849, Page 394, Real Property Records, Travis County, Texas

Reference is hereby made to said document for full particulars.

(Tract 2)

- k. Intentionally Deleted.

- l. Grade Requirement Release recorded in Volume 5651, Page 927, Deed Records of Travis County, Texas, executed by Chester C. Buratti, et al, to the City of Austin. (as to Tract 1)

- m. Matters contained in that certain document

Entitled: Notice Concerning Construction of Subdivision Improvements
Dated: October 8, 1997
Recording No: Volume 13038, Page 80, Real Property Records, Travis County, Texas

**SCHEDULE B
EXCEPTIONS FROM COVERAGE**

(continued)

Reference is hereby made to said document for full particulars.

(Tract 1)

- n. This item has been intentionally deleted in its entirety.
- o. Rights of tenants in possession, as tenants only, under unrecorded lease agreements.

SCHEDULE C

Commitment No.: CTA1903023

GF No.: CTA-21-CTA1903023G

Your Policy will not cover loss, costs, attorneys' fees, and expenses resulting from the following requirements that will appear as Exceptions in Schedule B of the Policy, unless you dispose of these matters to our satisfaction, before the date the Policy is issued:

1. Documents creating your title or interest must be approved by us and must be signed, notarized and filed for record.
2. Satisfactory evidence must be provided that:
 - a. no person occupying the land claims any interest in that land against the persons named in paragraph 3 of Schedule A,
 - b. all standby fees, taxes, assessments and charges against the property have been paid,
 - c. all improvements or repairs to the property are completed and accepted by the owner, and that all contractors, sub-contractors, laborers and suppliers have been fully paid, and that no mechanic's, laborer's or materialmen's liens have attached to the property,
 - d. there is legal right of access to and from the land,
 - e. (on a Mortgagee Policy only) restrictions have not been and will not be violated that affect the validity and priority of the insured mortgage.
3. You must pay the seller or borrower the agreed amount for your property or interest.
4. Any defect, lien or other matter that may affect title to the land or interest insured, that arises or is filed after the effective date of this Commitment.
5. Please be advised that our search did not disclose any open Deeds of Trust of record. If you should have knowledge of any outstanding obligation, please contact the Title Department immediately for further review prior to closing.
6. Intentionally deleted.
7. Note: The name(s) of the proposed insured(s) furnished with this application for title insurance is/are:

No names were furnished with the application. Please provide the name(s) of the buyers as soon as possible.
8. The Company must be furnished evidence of the authority and/or capacity of the party executing the conveying document.
9. The proposed transaction appears to qualify as a "commercial" transaction as defined in the "Broker's & Appraiser's Lien on Commercial Real Estate Act," Chapter 62 of the Texas Property Code. At closing, the Company must be furnished with the following properly executed documents:
 1. A "Seller/Borrowers Affidavit as to Debts, Liens, and Possession" executed by the seller/borrower, and
 2. A "Brokers/Appraisers Affidavit" executed by the seller and the purchaser that lists every real estate broker/appraiser to whom the seller and/or purchaser may owe a real estate commission fee.

The Company must pay at closing the commission/fee due each broker/appraiser listed in the "Brokers/Appraisers Affidavit" and obtain a release from each broker/appraiser. If any broker/appraiser listed in the affidavit is not being paid at the closing, the Company must be furnished with a release of lien from said broker/appraiser.

SCHEDULE C

(continued)

If the Company becomes aware of a recorded brokers/appraisers lien, this file must be returned to examination, at which time additional requirement(s) will be necessary.

10. The Company requires the execution of all closing documents be witnessed and notarized by an employee of Chicago Title Insurance Company or otherwise by a party approved by the Company. If the above requirements cannot be met, please contact the Company.

11. The Company must be furnished with a properly executed Affidavit of Debts and Liens from the owner(s).

12. This file must be updated prior to closing.

13. The following note is for informational purposes only:

The following deed(s) affecting said land were recorded within twenty-four (24) months of the date of this report:

None found of record.

14. As to any document creating your title or interest that will be executed or recorded electronically, or notarized pursuant to an online notarization, the following requirements apply:

- Confirmation prior to closing that the County Clerk of Travis County, Texas has approved and authorized electronic recording of electronically signed and notarized instruments in the form and format that is being used.
- Electronic recordation of the instruments to be insured in the Official Public Records of Travis County, Texas.
- Execution of the instruments to be insured pursuant to the requirements of the Texas Uniform Electronic Transactions Act, Chapter 322 of the Business and Commerce Code.
- Acknowledgement of the instruments to be insured by a notary properly commissioned as an online notary public by the Texas Secretary of State with the ability to perform electronic and online notarial acts under 1 TAC Chapter 87.

15. The last Deed found of record affecting the Land was recorded March 1, 2017 at Document No. 2017034148, Official Public Records of Travis County, Texas, wherein the grantee acquired the subject property. (Tract 1)

The last Deeds found of record affecting the Land were recorded at Volume 1264, Page 172, Volume 2930, Page 544, Volume 2968, Page 1902, Volume 3870, Page 1340, Volume 3977, Page 1107, Volume 5234, Page 2071 and Volume 5539, Page 2237, Deed Records of Travis County, Texas, wherein the grantee acquired the subject property. (Tract 2)

THE STATE OF TEXAS |
 |
 COUNTY OF TRAVIS |

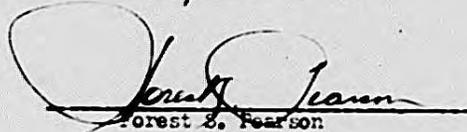
KNOW ALL MEN BY THESE PRESENTS:

That I, Forest S. Pearson, of Travis County, Texas, for and in consideration of the sum of Ten Dollars (\$10.00) and other good and valuable consideration, to me in hand paid by the City of Austin, the receipt and sufficiency of which is hereby acknowledged and confessed, and for which no lien is retained, have this day GRANTED, SOLD and CONVEYED, and by these presents do hereby GRANT, SELL and CONVEY unto the said City of Austin, a municipal corporation situated in Travis County, Texas, the following described property, to wit:

The north one-half (N. 1/2) ~~part~~ of Lot No. Five (5), in Block No. One Hundred Forty-three (143) of the Original City of Austin, in the City of Austin, Travis County, Texas, and being the same property as that conveyed to Forest S. Pearson by deed of Eddie Ward, et ux, Louise Ward, dated April 28, 1952, recorded in Book 1260, pages 171 to 172 of the Deed Records of Travis County, Texas.

TO HAVE AND TO HOLD the above described premises, together with all and singular the rights and appurtenances thereto in anywise belonging unto the said City of Austin, its successors and assigns, forever, and I do hereby bind myself, my heirs, executors and administrators to warrant and forever defend all and singular the said premises unto the said City of Austin, its successors and assigns, against every person whomsoever lawfully claim or to claim the same or any part thereof.

WITNESS my hand this 30th day of May, 1952.


 Forest S. Pearson

\$2.75 U.S. Int. Rev. Stamps Can.

THE STATE OF TEXAS |
|
COUNTY OF TRAVIS |

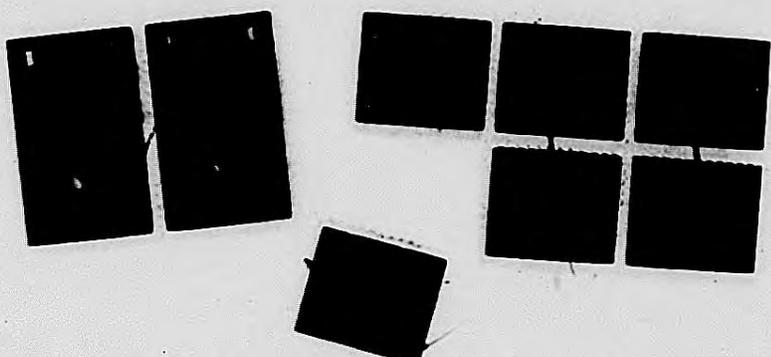
BEFORE ME, the undersigned authority, on this day personally appeared Forest S. Pearson, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL of office, this the 30th day of May, 1952.



Orrell C. Eubank

Orrell C. Eubank
Notary Public in and for
Travis County, Texas



Filed for Record May 31, 1952 at 8:00 A.M.
Recorded June 2, 1952 at 2:55 P.M.

29MAY52
CES:OCE

125

WARRANTY DEED
MAR 11-65 5892 * 1.75

THE STATE OF TEXAS |
 | KNOW ALL MEN BY THESE PRESENTS:
COUNTY OF TRAVIS |

That we, W. H. Cochran et ux, Velma D. Cochran

of Travis County, State of Texas, hereinafter referred to as Grantors, whether one or more, for and in consideration of the sum of TEN AND NO/100 DOLLARS (\$10.00) and other good and valuable consideration, to Grantors in hand paid by the City of Austin, Texas, the receipt and sufficiency of which is hereby acknowledged and confessed, and for which no lien, expressed or implied, is retained, have this day Granted, Sold and Conveyed, and by these presents do hereby Grant, Sell and Convey, unto the said City of Austin, a municipal corporation situated in Travis County, Texas, the following described property, to-wit:

All that certain tract, piece or parcel of land, lying and being situated in the County of Travis, State of Texas described in EXHIBIT "A" attached hereto and made a part hereof for all purposes, to which reference is here made for a more particular description of said property.

TO HAVE AND TO HOLD the above described premises, together with all and singular the rights and appurtenances thereto in anywise belonging unto the said City of Austin, its successors and assigns forever; and Grantors, whether one or more, do hereby bind ourselves, our heirs, executors, administrators, successors and assigns to warrant and forever defend all and singular the said premises unto the said City of Austin, its successors and assigns, against every person whomsoever lawfully claiming or to claim the same or any part thereof.

IN WITNESS WHEREOF, Grantors have caused this instrument to be executed on this 10th day of March, 19 65.

W H Cochran
W. H. Cochran

Velma D. Cochran
Velma D. Cochran

EXHIBIT "A"

W. H. Cochran, et ux,
Velma D. Cochran

to

The City of Austin

FIELD NOTES

FIELD NOTES FOR TWO (2) TRACTS OF LAND, SAME BEING OUT OF AND A PART OF LOTS 7 AND 8, BLOCK 143, OF THE ORIGINAL CITY OF AUSTIN, TRAVIS COUNTY, TEXAS, ACCORDING TO A MAP OR PLAT OF SAID ORIGINAL CITY OF AUSTIN ON FILE IN THE GENERAL LAND OFFICE OF THE STATE OF TEXAS; WHICH TWO (2) TRACTS OF LAND WERE CONVEYED, TOGETHER WITH OTHER PROPERTY, TO W. H. COCHRAN BY THE FOLLOWING THREE (3) WARRANTY DEEDS:

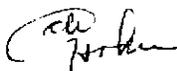
- (1) DATED NOVEMBER 11, 1949 OF RECORD IN VOLUME 963 AT PAGE 314 OF THE DEED RECORDS OF TRAVIS COUNTY, TEXAS;
- (2) DATED MARCH 4, 1950 OF RECORD IN VOLUME 1020 AT PAGE 602 OF THE DEED RECORDS OF TRAVIS COUNTY, TEXAS;
- (3) DATED MAY 25, 1950 OF RECORD IN VOLUME 1068 AT PAGE 121 OF THE DEED RECORDS OF TRAVIS COUNTY, TEXAS;

EACH OF THE SAID TWO (2) TRACTS OF LAND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

NUMBER ONE, BEING all of the west one-half ($\frac{1}{2}$) of said Lot 7, Block 143, of the Original City of Austin.

NUMBER TWO, BEING all of the north one hundred (100.00) feet of said Lot 8, Block 143, of the Original City of Austin.

FIELD NOTES: Jimmy Adams
2-23-65



APPROVED:



S. Reuben Rountree, Jr.
Director of Public Works

References:

FF 716

Section Map 562

lw

JOINT ACKNOWLEDGMENT

THE STATE OF TEXAS }
 |
COUNTY OF TRAVIS }

BEFORE ME, the undersigned authority, a Notary Public
in and for said County and State, on this day personally appeared

W. H. Cochran

and Velma D. Cochran, his wife,
both known to me to be the persons whose names are subscribed
to the foregoing instrument, and acknowledged to me that they each
executed the same for the purposes and consideration therein

expressed, and the said Velma D. Cochran,
wife of the said W. H. Cochran,
having been examined by me privily and apart from her husband,
and having the same fully explained to her, she, the said

Velma D. Cochran acknowledged
such instrument to be her act and deed, and she declared that she
had willingly signed the same for the purposes and consideration
therein expressed, and that she did not wish to retract it.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the
10th day of March, 19 65.

(NOTARY SEAL)

William T. Ward

Notary Public in and for Travis County, Texas.

STATE OF TEXAS }
COUNTY OF TRAVIS }

I hereby certify that this instrument was FILED on the
date and at the time stamped hereon by me; and was duly
RECORDED, in the Volume and Page of the named RECORDS
of Travis County, Texas, as Stamped hereon by me, on

04MAR65
DF:sc



MAR 12 1965
Emilie Limburg
COUNTY CLERK,
TRAVIS COUNTY, TEXAS

MAR 11 9 18 AM 1965

FILED
Emilie Limburg
COUNTY CLERK
TRAVIS COUNTY, TEXAS

DEED RECORDS
Travis County, Texas

VOL 2930 PAGE 546

**CORRECTION
WARRANTY DEED**

650427.20

125

JUN -2-65⁴²⁵ 6414 * 1.25

THE STATE OF TEXAS |
COUNTY OF TRAVIS | KNOW ALL MEN BY THESE PRESENTS:

This deed is made in place of and as a Deed of Correction of deed made by Grantor herein to Grantee herein dated the 7th day of May, 1965, and recorded in Volume 2959, pages 1535-1536 of the Deed Records of Travis County, Texas; and,

WHEREAS, in said deed of conveyance by error or mistake, the description of the property was erroneous, and this instrument is made by Grantor and so accepted by Grantee herein in order to correct such mistake.

WHEREFORE, KNOW ALL MEN BY THESE PRESENTS:

That I, Forest S. Pearson, of Travis County, State of Texas, herein-after and hereinabove referred to as Grantor, for and in consideration of the sum of TEN AND NO/100 DOLLARS (\$10.00) and other good and valuable consideration, to Grantor in hand paid by the City of Austin, the receipt and sufficiency of which is hereby acknowledged and confessed, and for which no lien, expressed or implied, is retained, have this day Granted, Sold and Conveyed, and by these presents do hereby Grant, Sell and Convey unto the said City of Austin, a municipal corporation situated in Travis County, Texas, the following described property, to-wit:

Lot No. Six (6) and the East One-half of Lot No. Seven (7) in Block No. 143 of the Original City of Austin, Travis County, Texas, according to the map or plat of said Original City on file in the General Land Office of the State of Texas.

TO HAVE AND TO HOLD the above described premises, together with all and singular the rights and appurtenances thereto in anywise belonging unto the said City of Austin, its successors and assigns forever; and Grantor does hereby

DEED RECORDS
Travis County, Texas

2968 1902

bind himself, his heirs, executors, administrators, successors and assigns to warrant and forever defend all and singular the said premises unto the said City of Austin, its successors and assigns, against every person whomsoever lawfully claiming or to claim the same or any part thereof.

IN WITNESS WHEREOF, Grantor has caused this instrument to be executed on this the 26 day of MAY, 1965.

Forest S. Pearson
Forest S. Pearson

THE STATE OF TEXAS |
COUNTY OF TRAVIS |

BEFORE ME, the undersigned authority, a Notary Public in and for said County and State, on this day personally appeared Forest S. Pearson, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this the 26th day of MAY, 1965.

(NOTARY SEAL)

William T. Ward
Notary Public in and for Travis County, Texas

STATE OF TEXAS |
COUNTY OF TRAVIS |

I hereby certify that this instrument was FILED on the date and at the time stamped hereon by me; and was duly RECORDED, in the Volume and Page of the named RECORDS of Travis County, Texas, as Stamped hereon by me, on

JUN 4 1965

Emilie Limberg
COUNTY CLERK,
TRAVIS COUNTY, TEXAS



DF/sc

JUN 2 9 44 AM '65
FILED
Emilie Limberg
COUNTY CLERK
TRAVIS COUNTY, TEXAS

DEED RECORDS
Travis County, Texas

2968 1903

660901.22(8)

JUN 19-70 5327 * 1.50
WARRANTY DEED

152
29-6422

THE STATE OF TEXAS
COUNTY OF TRAVIS

X
X
X

KNOW ALL MEN BY THESE PRESENTS:

That I, Mary Joseph, of Travis County, State of Texas, hereinafter referred to as Grantors, whether one or more, for and in consideration of the sum of TEN DOLLARS (\$10.00) and other good and valuable consideration, to Grantors in hand paid by the City of Austin, Texas, the receipt and sufficiency of which is hereby acknowledged and confessed, and for which no lien, expressed or implied, is retained, have this day Granted, Sold and Conveyed, and by these presents do hereby Grant, Sell and Convey, unto the said City of Austin, a municipal corporation situated in Travis County, Texas, the following described property, to-wit:

The South sixty (S. 60) feet of Lot No. Eight (8), in Block No. 143, in the City of Austin, Travis County, Texas, according to the map or plan of said City on file in the General Land Office of the State of Texas.

TO HAVE AND TO HOLD the above described premises, together with all and singular the rights and appurtenances thereto in anywise belonging unto the said City of Austin, its successors and assigns forever; and Grantors, whether one or more, do hereby bind ourselves, our heirs, executors, administrators, successors and assigns to warrant and forever defend all and singular the said premises unto the said City of Austin, its successors and assigns, against every person whomsoever lawfully claiming or to claim the same or any part thereof.

IN WITNESS WHEREOF, Grantors have caused this instrument to be executed on this 15th day of June, 1970.

WITNESSES TO MARK:

Virginia Jabor
W. E. Eink

her
Mary J. Joseph
Mary Joseph mark

THE STATE OF TEXAS
COUNTY OF TRAVIS

X
X
X

BEFORE ME, the undersigned authority, a Notary Public in and for said County and State, on this day personally appeared Mary Joseph, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that she executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this the 15th day of June, 1970.

NOTARY SEAL

27 MAY 70
DEED RECORDS
Travis County, Texas

3870 1340

Loez Machu
Notary Public in and for Travis
County, Texas

29-6423

FILED

JUN 19 7 59 AM '70

Emilie Limberg
COUNTY CLERK
TRAVIS COUNTY, TEXAS.

STATE OF TEXAS

COUNTY OF TRAVIS

I hereby certify that this instrument was FILED on the date and at the time stamped hereon by me; and was duly RECORDED, in the Volume and Page of the named RECORDS of Travis County, Texas, as Stamped hereon by me, on

JUN 19 1970



Emilie Limberg
COUNTY CLERK
TRAVIS COUNTY, TEXAS

3870 1341

250

660901.22(34)

DEC 31-70 ²⁵ 7893 * WARRANTY DEED 2.50

36-5954

THE STATE OF TEXAS
COUNTY OF TRAVIS

I
I KNOW ALL MEN BY THESE PRESENTS:
I

That we, EMMETT QUISENBERRY et ux, MEDA J. QUISENBERRY, of Travis County, State of Texas, hereinafter referred to as Grantors, whether one or more, for and in consideration of the sum of TEN DOLLARS (\$10.00) and other good and valuable consideration, to Grantors in hand paid by the City of Austin, Texas, the receipt and sufficiency of which is hereby acknowledged and confessed, and for which no lien, expressed or implied, is retained, have this day Granted, Sold and Conveyed, and by these presents do hereby Grant, Sell and Convey, unto the said City of Austin, a municipal corporation situated in Travis County, Texas, the following described property, to-wit:

The South eighty (80) feet of Lot 5, Block 143, Original City of Austin, Travis County, Texas, according to the plat on file in the Land Office of the State of Texas.

TO HAVE AND TO HOLD the above described premises, together with all and singular the rights and appurtenances thereto in anywise belonging unto the said City of Austin, its successors and assigns forever; and Grantors, whether one or more, do hereby bind ourselves, our heirs, executors, administrators, successors and assigns to warrant and forever defend all and singular the said premises unto the said City of Austin, its successors and assigns, against every person whomsoever lawfully claiming or to claim the same or any part thereof.

IN WITNESS WHEREOF, Grantors have caused this instrument to be executed on this 29 day of December, 19 70.

Emmett Quisenberry
Emmett Quisenberry

Meda J. Quisenberry
Meda J. Quisenberry

DEED RECORDS
Travis County, Texas

3977 1107

ACKNOWLEDGMENT

THE STATE OF TEXAS

COUNTY OF TRAVIS

X
X
X

36-5955

BEFORE ME, the undersigned, a Notary Public in and for said County and State, on this day personally appeared EMMETT QUISENBERRY and MEDA J. QUISENBERRY, his wife, known to me to be the persons whose names are subscribed to the foregoing instrument, and acknowledged to me that they executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE,

this the 29th day of December A.D. 19

William T. Weid

Notary Public in and for Travis County, Texas

NOTARY SEAL

29DEC70
WTW:djw

STATE OF TEXAS COUNTY OF TRAVIS
I hereby certify that this Instrument was FILED on the date and at the time stamped hereon by me; and was duly RECORDED, in the Volume and Page of the named RECORDS of Travis County, Texas, as Stamped hereon by me, on

DEC 31 1970



Emilie Limberg
COUNTY CLERK
TRAVIS COUNTY, TEXAS

FILED
DEC 31 8 16 AM '70
EMILIE LIMBERG
COUNTY CLERK
TRAVIS COUNTY, TEXAS

3977 1108

ORDINANCE NO. 750529-A

M 24-7525-7008 * 4.50

1-16-3150

45

AN ORDINANCE VACATING AND PERPETUALLY CLOSING THOSE CERTAIN PORTIONS OF EAST 13TH STREET, EAST 13TH STREET ALLEY, SABINE STREET, EAST 14TH STREET, AND EAST 14TH STREET ALLEY, IN THE CITY OF AUSTIN, TRAVIS COUNTY, TEXAS; RETAINING EASEMENTS IN THE CITY FOR DRAINAGE AND PUBLIC UTILITY, ELECTRIC UTILITY, GAS UTILITY AND WATER UTILITY PURPOSES; SUSPENDING THE RULE REQUIRING THE READING OF AN ORDINANCE ON THREE SEPARATE DAYS; AND DECLARING AN EMERGENCY.

WHEREAS, those certain streets and alleys known as East 13th Street, East 13th Street Alley, Sabine Street, East 14th Street and East 14th Street Alley, were reserved and dedicated to the public on a map or plat of the Original City of Austin, Travis County, Texas, on file in the General Land Office of the State of Texas; and,

WHEREAS, the owners of property abutting the hereinafter described portions of said streets and alleys have requested the City Council of the City of Austin to vacate and perpetually close to public travel the hereinafter described portions of said streets and alleys; and,

WHEREAS, it has been determined by the City Council of the City of Austin that said portions of such streets and alleys are not now needed and will not be required in the future, except as an easement for drainage and public utility, electric utility, gas utility and water utility purposes; Now, Therefore,

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF AUSTIN:

SECTION 1. That the hereinafter described portions of said streets and alleys be, and the same are hereby vacated and perpetually closed for public use; SAVE AND EXCEPT as provided in Section 2 hereof; said portions so vacated being more particularly described as follows:

Six (6) strips of land, same being streets and alleys in the City of Austin, Travis County, Texas, the strip of land hereinafter described as Number One being all that certain portion of a street eighty (80.00) feet in width known as Sabine Street, as shown on a map or plat of the Original City of Austin, Travis County, Texas, on file in the General Land Office of the State of Texas; the strip of land hereinafter described as Number Two being all that certain portion of a street eighty (80.00) feet in width known as East 13th Street, as shown on said map or plat of the Original City of Austin; the strip of land hereinafter described as Number Three being all that certain portion of a street eighty (80.00) feet in width known as East 14th Street, as shown on said map or plat of the Original City of Austin; the strips of land hereinafter described as Numbers Four and Five being all those certain portions of an alley twenty (20.00) feet in width known as East 13th Street Alley, as shown on said map or plat of the Original City of Austin; the strip of land hereinafter described as Number Six being all that certain portion of

DEED RECORDS

Travis County, Texas

5234 2071

1-16-3151

an alley twenty (20.00) feet in width known as East 14th Street Alley, as shown on said map or plat of the Original City of Austin; each of the said six (6) strips of land is more particularly described as follows:

NUMBER ONE, BEING all that certain portion of Sabine Street that extends from the north line of East 14th Street in a southerly direction 356.00 feet to the north line of East 13th Street.

NUMBER TWO, BEING all that certain portion of East 13th Street that extends from the east line of Red River Street in an easterly direction 276.00 feet to the west line of Sabine Street.

NUMBER THREE, BEING all that certain portion of East 14th Street that extends from the east line of Sabine Street in an easterly direction 276.00 feet to the west line of East Avenue.

NUMBER FOUR, BEING all that certain portion of East 13th Street Alley that extends from the east line of Red River Street in an easterly direction 276.00 feet to the west line of Sabine Street.

NUMBER FIVE, BEING all that certain portion of East 13th Street Alley that extends from the east line of Sabine Street in an easterly direction 276.00 feet to the west line of East line of East Avenue.

NUMBER SIX, BEING all that certain portion of East 14th Street Alley that extends from the east line of Sabine Street in an easterly direction 276.00 feet to the west line of East Avenue.

SECTION 2. There are hereby retained in the City the following described easements in, upon and across portions of the street and alley areas described in Section 1 hereof:

(1) An easement for drainage and public utility purposes in, upon and across the east forty-eight (48.00) feet of the portion of Sabine Street which is described above as Number One.

(2) An easement for electric utility purposes in, upon and across the south five (5.00) feet of the portion of East 13th Street which is described above as Number Two.

(3) An easement for gas utility purposes in, upon and across a strip of land twenty (20.00) feet in width whose centerline is thirty (30.00) feet south of and parallel to the north line of said portion of East 13th Street which is described above as Number Two.

(4) An easement for water utility purposes in, upon and across a strip of land ten (10.00) feet in width whose centerline is twenty-two (22.00) feet north of the south line of the portion of East 14th Street which is described above as Number Three.

1-16-3152

SECTION 3. WHEREAS, an emergency is apparent for the immediate preservation of order, health, safety and general welfare of the public, which emergency requires the suspension of the rule providing for the reading of an ordinance on three separate days, and requires that this Ordinance become effective immediately upon its passage, therefore the rule requiring the reading on three separate days is hereby suspended and this Ordinance shall become effective immediately upon its passage as provided by the Charter of the City of Austin.

PASSED AND APPROVED

May 29, 1975

X

X

Jimmy Sells
Mayor

APPROVED:

[Signature]
City Attorney

ATTEST:

[Signature]
City Clerk

27MAY75

1-16-3153

THE STATE OF TEXAS |
COUNTY OF TRAVIS |

I, Grace Monroe, City Clerk of the City of Austin, Texas,
do hereby certify that the foregoing instrument is a true and
correct copy of Ordinance No. 750529-A passed by the
City Council of the City of Austin, Texas, at a regular meeting
on the 29th day of May, 19 75.

(CORPORATE SEAL)

Grace Monroe
City Clerk
City of Austin, Texas

FILED
JUL 24 8 39 AM '75
Doris Shropshire
COUNTY CLERK
TRAVIS COUNTY, TEXAS

STATE OF TEXAS COUNTY OF TRAVIS
I hereby certify that this Instrument was FILED on the
date and at the time stamped hereon by me; and was duly
RECORDED, in the Volume and Page of the Public RECORDS
of Travis County, Texas, as Stamped hereon by me, on

JUL 24 1975



Doris Shropshire
COUNTY CLERK
TRAVIS COUNTY, TEXAS

5234 2074

CITY OF AUSTIN, TEXAS

ORDINANCE NO. 76 0318-D

~~AUG 25-7655~~ 5048 * 4.50

450
1-36-9566

AN ORDINANCE AMENDING ORDINANCE NO. 760122-A BY SUBSTITUTING FIELD NOTES FOR THOSE INCLUDED IN ORDINANCE NO. 760122-A; SAID ORDINANCE VACATED AND PERPETUALLY CLOSED CERTAIN PORTIONS OF RED RIVER STREET AND EAST 14TH STREET ALLEY, IN THE CITY OF AUSTIN, TRAVIS COUNTY, TEXAS; RETAINING EASEMENTS IN THE CITY FOR GAS, WASTE WATER, ELECTRIC UTILITY, TELEPHONE AND WATER LINE PURPOSES; SUSPENDING THE RULE REQUIRING THE READING OF AN ORDINANCE ON THREE SEPARATE DAYS; AND DECLARING AN EMERGENCY.

WHEREAS, on January 22, 1976 in Ordinance No. 760122-A, the City Council vacated and perpetually closed certain portions of Red River Street and East 14th Street Alley; and,

WHEREAS, the vacation and closing are correctly described, however, the accompanying distances within the calls should be corrected in order that both the described boundaries of the vacated portion of Red River Street and its distance might agree; and,

WHEREAS, all other provisions of Ordinance No. 760122-A should remain in effect; Now, Therefore,

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF AUSTIN:

SECTION 1. That Ordinance No. 760122-A is hereby amended by substituting the following field notes for those enclosed in said Ordinance; said hereinafter specified field notes are as follows:

Three (3) tracts of land, the tract of land hereinafter described as Number One containing 1.57 acres of land and being out of and a part of that certain street eighty (80.00) feet in width in the City of Austin, Travis County, Texas, known as Red River Street as shown on a map or plat of the Original City of Austin, Travis County, Texas, on file in the General Land Office of the State of Texas, the tract of land hereinafter described as Number Two containing 0.87 of one acre of land and being out of and a part of said Red River Street, and the tract of land hereinafter described as Number Three containing 4,359 square feet of land and being out of and a part of that certain alley twenty (20.00) feet in width that traverses Block 168, the Original City of Austin, as shown on said map or plat of the Original City of Austin; each of the said three (3) tracts of land is more particularly described by metes and bounds as follows:

NUMBER ONE, BEGINNING at the northeast corner of the herein described tract of land, same being the northwest corner of Lot 8, Block 167, in said Original City of Austin, same also being the intersection of the south line of East 15th Street with the east line of Old Red River Street;

1-36-9567

THENCE, with said east line of Red River Street S 19° 00' W 1,054.38 feet to the most southerly corner of the herein described tract of land, same being a point in the north line of East 12th Street, same also being a point in the curving east line of relocated Red River Street, said curve having an angle of intersection of 27° 00', a radius of 590.00 feet and a tangent distance of 141.65 feet;

THENCE, along said curve to the left an arc distance of 278.03 feet, the long chord of which arc bears N 05° 30' E 275.47 feet to the point of tangency of said curve;

THENCE, continuing with said east line of relocated Red River Street, N 08° 00' W 34.56 feet to the most westerly corner of the herein described tract of land, same being a point in the west line of Old Red River Street;

THENCE, with said west line of Old Red River Street N 19° 00' E 755.52 feet to the northwest corner of the herein described tract of land, same being a point in the aforesaid south line of East 15th Street;

THENCE, with said south line of East 15th Street S 71° 10' E 80.00 feet to the point of beginning.

NUMBER TWO, BEGINNING at the southwest corner of the herein described tract of land, same being the southeast corner of Outlot 60, Division E, of the Government Outlots adjoining the Original City of Austin, according to a map or plat of said Government Outlots on file in the General Land Office of the State of Texas, same also being the intersection of the north line of East 15th Street, with the west line of Old Red River Street;

THENCE, with said west line of Old Red River Street, N 19° 00' E 379.80 feet to the northwest corner of the herein described tract of land, same being a point in the curving east line of relocated Red River Street, said curve having an angle of intersection of 30° 27', a radius of 597.31 feet and a tangent distance of 157.67 feet;

THENCE, with the east line of relocated Red River Street along said curve to the left an arc distance of 307.88 feet, the chord of which arc bears N 34° 13' W 304.26 feet to the most northerly corner of the herein described tract of land, same being the intersection of the north line of East 17th Street with the east line of Old Red River Street;

THENCE, with said east line of Old Red River Street, S 19° 00' W 673.37 feet to the southeast corner of the herein described tract of land, same being the southwest corner of Outlot 65, Division E, of the aforesaid Government Outlots, same being a point in the aforesaid north line of East 15th Street;

THENCE, with said north line of East 15th Street, N 71° 10' W 80.00 feet to the point of beginning.

NUMBER THREE, BEGINNING at the southeast corner of the herein described tract of land, same being the intersection of the west line of Old Red River Street with the south line of the aforesaid twenty (20.00) foot alley traversing Block 168;

1-36-9568

THENCE, with said south line of an alley twenty (20.00) feet in width, N 71° 10' W 207.00 feet to an exterior ell corner of the herein described tract of land, same being the northwest corner of Lot 2 in said Block 168;

THENCE, in a northerly and westerly direction with the following three (3) courses:

(1) N 19° 00' E 10.00 feet to a point;

(2) N 71° 10' W 21.87 feet to a point;

(3) N 19° 00' E 10.00 feet to a point in the north line of the aforesaid alley twenty (20.00) feet in width;

THENCE, with said north line of the alley twenty (20.00) feet in width, S 71° 10' E 228.87 feet to the northeast corner of the herein described tract of land, same being a point in the aforesaid west line of Old Red River Street;

THENCE, with said west line of Old Red River Street, S 19° 00' W 20.00 feet to the point of beginning.

SECTION 2. WHEREAS, an emergency is apparent for the immediate preservation of order, health, safety and general welfare of the public, which emergency requires the suspension of the rule providing for the reading of an ordinance on three separate days, and requires that this Ordinance become effective immediately upon its passage, therefore the rule requiring the reading on three separate days is hereby suspended and this Ordinance shall become effective immediately upon its passage as provided by the Charter of the City of Austin.

PASSED AND APPROVED
March 18 1976

APPROVED: *[Signature]*
Acting City Attorney

[Signature]
Mayor

ATTEST: *[Signature]*
City Clerk

18MAR76
DLW:sh

1-36-9569

THE STATE OF TEXAS |
COUNTY OF TRAVIS |

I, Grace Monroe, City Clerk of the City of Austin, Texas,
do hereby certify that the foregoing instrument is a true and
correct copy of Ordinance No. 760318-D passed by the
City Council of the City of Austin, Texas, at a regular meeting
on the 18th day of March, 19 76.

(CORPORATE SEAL)

Grace Monroe

City Clerk
City of Austin, Texas

FILED

AUG 23 8 03 AM '76

Doris Shropshire

COUNTY CLERK
TRAVIS COUNTY, TEXAS

STATE OF TEXAS COUNTY OF TRAVIS
I hereby certify that this instrument was FILED on the
date and at the time stamped hereon by me; and was duly
RECORDED, in the Volume and Page of the named RECORDS
of Travis County, Texas, as Stamped hereon by me, on

AUG 23 1976



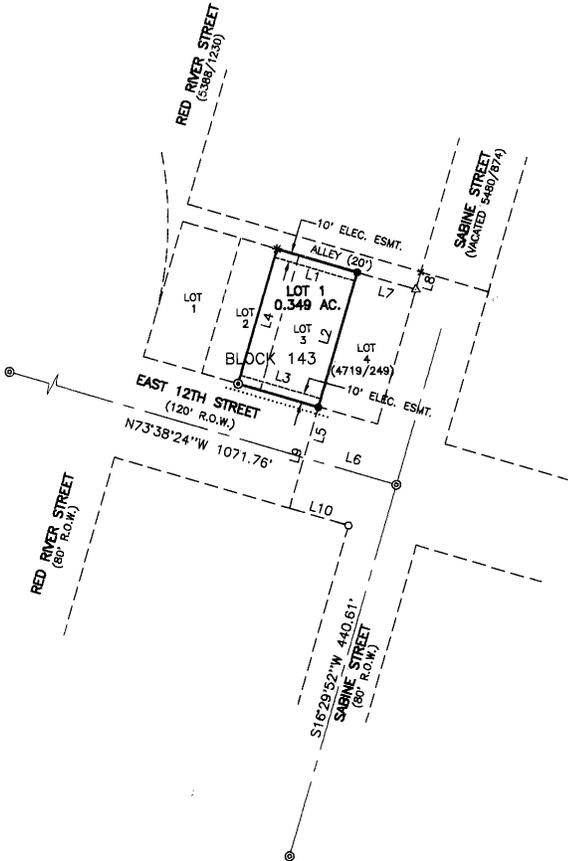
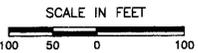
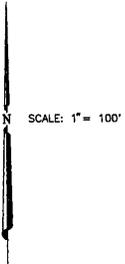
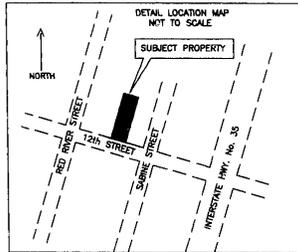
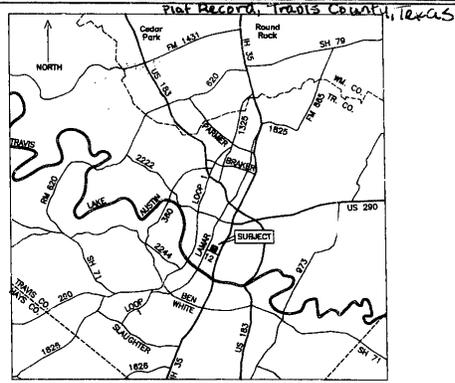
Doris Shropshire

COUNTY CLERK
TRAVIS COUNTY, TEXAS

5539 2240

RESUBDIVISION OF LOT 3 AND A PORTION OF LOT 2, BLOCK 143 ORIGINAL CITY OF AUSTIN TRAVIS COUNTY, TEXAS

MISC FILE CODE
0000473086



LEGEND

- 1/2" REBAR FOUND
- ⊙ IRON PIPE FOUND (SIZE NOTED)
- 1/2" REBAR WITH CAP SET
- * COTTON SPINDLE FOUND
- ⊗ COA CENTERLINE MONUMENT FOUND
- △ CONCRETE NAIL FOUND
- x X IN CONCRETE FOUND
- SIDEWALK LOCATION

NUMBER	DIRECTION	DISTANCE	(RECORD)
L1	S73°35'16"E	94.92'	(S71°09'00"E 94.95')
L2	S16°30'21"W	160.20'	(S18°59'37"W 160.24')
L3	N73°35'31"W	94.92'	(N71°09'00"W 94.95')
L4	N16°30'32"E	160.20'	(N18°59'37"E 160.24')
L5	S16°21'36"W	59.90'	
L6	S73°38'24"E	109.08'	
L7	S73°36'31"E	69.22'	
L8	N16°48'22"E	20.54'	

Robert White 7-77977



BEARING BASIS IS GRID NORTH FOR THE CENTRAL ZONE OF THE TEXAS STATE PLANE COORDINATE SYSTEM, FROM GRID AZIMUTHS REFERENCED AT CITY OF AUSTIN E.U.D. MONUMENTS J-22-2201 AND E.U.D. 157, N.A.D. 1927 DATUM, PROVIDED BY CITY OF AUSTIN PUBLIC WORKS.

GRIFFIN ENGINEERING GROUP, INC.

11711 NORTH LAMAR, AUSTIN, TEXAS 78753 (512) 836-3113

Chaparral

Professional Land Surveying and Mapping

510 South Congress Ave., Suite B100
Austin, Texas 78704
512-476-7103

PROJECT NO.: 06-97040
DRAWING NO.: 08-4001
PLOT DATE: 07/17/97
PLOT SCALE: 1"=100'
DRAWN BY: LEA

SHEET 01 OF 02

RESUBDIVISION OF LOT 3 AND A PORTION OF LOT 2, BLOCK 143 ORIGINAL CITY OF AUSTIN TRAVIS COUNTY, TEXAS

MISC FILED

GENERAL NOTES:

- EROSION/SEDIMENTATION CONTROLS AREA REQUIRED FOR ALL CONSTRUCTION IN THIS SUBDIVISION PURSUANT TO LAND DEVELOPMENT CODE SECTION 13-7-14.
 - ALL SIGNS SHALL COMPLY WITH THE AUSTIN SIGN ORDINANCE (CHAPTER 13-2, ARTICLE VII).
 - FACILITIES FOR OFF-STREET LOADING AND UNLOADING SHALL BE PROVIDED FOR ALL LOTS IN THIS SUBDIVISION.
 - BUILDING SETBACK LINES SHALL BE IN CONFORMANCE WITH CITY OF AUSTIN ZONING ORDINANCE REQUIREMENTS.
 - DEVELOPMENT OF LOTS IN THIS SUBDIVISION ARE HEREBY RESTRICTED TO USES OTHER THAN RESIDENTIAL.
- LOTS IN THIS SUBDIVISION SHALL NOT BE OCCUPIED UNTIL CONNECTED TO THE CITY OF AUSTIN WATER AND WASTEWATER SYSTEM. ALL WATER AND WASTEWATER SYSTEM IMPROVEMENTS MUST BE IN ACCORDANCE WITH THE CITY OF AUSTIN WATER AND WASTEWATER SYSTEM DESIGN CRITERIA AND SPECIFICATIONS. ALL WATER AND WASTEWATER PLANS MUST BE PRESENTED TO THE CITY OF AUSTIN WATER AND WASTEWATER UTILITY FOR REVIEW AND APPROVAL. ALL CONSTRUCTION MUST BE INSPECTED BY THE CITY OF AUSTIN.
- PUBLIC SIDEWALKS, BUILT TO CITY OF AUSTIN STANDARDS, ARE REQUIRED ALONG THE FOLLOWING STREETS AS SHOWN BY A DOTTED LINE ON THE FACE OF THE PLAT: ALONG EAST 12TH STREET
THESE SIDEWALKS SHALL BE IN PLACE PRIOR TO THE LOT BEING OCCUPIED. FAILURE TO CONSTRUCT THE REQUIRED SIDEWALKS MAY RESULT IN THE WITHHOLDING OF CERTIFICATES OF OCCUPANCY, BUILDING PERMITS, OR UTILITY CONNECTIONS BY THE GOVERNING BODY OR UTILITY COMPANY.
 - EACH OWNER OF ANY RESPECTIVE LOT IN THIS SUBDIVISION, AND HIS OR HER SUCCESSORS AND ASSIGNS, ASSUMES RESPONSIBILITY FOR PLANS AND CONSTRUCTION OF SUBDIVISION IMPROVEMENTS WHICH COMPLY WITH APPLICABLE CODES AND REQUIREMENTS OF THE CITY OF AUSTIN. EACH RESPECTIVE OWNER UNDERSTANDS AND ACKNOWLEDGES THAT PLAT VACATION OR REPLATTING MAY BE REQUIRED, AT EACH RESPECTIVE OWNER'S SOLE EXPENSE, IF PLANS TO CONSTRUCT THIS SUBDIVISION DO NOT COMPLY WITH SUCH CODES AND REQUIREMENTS.
 - PRIOR TO CONSTRUCTION, EXCEPT DETACHED SINGLE FAMILY ON ANY LOT IN THIS SUBDIVISION, A SITE DEVELOPMENT PERMIT MUST BE OBTAINED FROM THE CITY OF AUSTIN.
 - THIS SUBDIVISION IS LOCATED IN THE WALLER CREEK WATERSHED AND IS CLASSIFIED AS URBAN.

OWNER'S ACKNOWLEDGEMENT

STATE OF TEXAS
COUNTY OF TRAVIS

KNOW ALL MEN BY THESE PRESENTS:

THAT HEALTHSOUTH OF AUSTIN INC., A DELAWARE CORPORATION, ACTING BY AND THROUGH **C. DREW DEMARAY**, **AS VICE PRESIDENT OF THE CORPORATION BEING THE OWNER OF 0.349 ACRES, CONSISTING OF:**

ALL OF LOT 3, AND A PORTION OF LOT 2, BLOCK 143, ORIGINAL CITY OF AUSTIN, CONVEYED BY DEED OF RECORD IN VOLUME 12394, PAGE 1462 OF THE TRAVIS COUNTY DEED RECORDS;

SAID SUBDIVISION HAVING BEEN APPROVED FOR RESUBDIVISION PURSUANT TO THE PUBLIC NOTIFICATION AND HEARING PROVISION OF CHAPTER 212.015 OF THE LOCAL GOVERNMENT CODE.

DO HEREBY RESUBDIVIDE 0.349 ACRES TO BE KNOWN AS:

RESUBDIVISION OF LOT 3 AND A PORTION OF LOT 2, BLOCK 143 ORIGINAL CITY OF AUSTIN TRAVIS COUNTY, TEXAS

IN ACCORDANCE WITH THE MAP OR PLAT SHOWN HEREON, AND DO HEREBY DEDICATE TO THE PUBLIC THE USE OF ALL STREETS AND EASEMENTS SHOWN HEREON, SUBJECT TO ANY AND ALL EASEMENTS OR RESTRICTIONS HERETOFORE GRANTED AND NOT RELEASED.

WITNESS MY HAND THIS 12th DAY OF August, 1997

C. Drew Demaray
AGENT: **C. DREW DEMARAY**
VICE PRESIDENT
HEALTHSOUTH OF AUSTIN INC.

1 HEALTHSOUTH PARKWAY
BIRMINGHAM, ALABAMA, 35243

THIS INSTRUMENT WAS ACKNOWLEDGED BEFORE ME ON August 12, 1997, BY

C. DREW DEMARAY

NOTARY *Jammy L. Turner*
PRINT OR STAMP NAME HERE
MY COMMISSION EXPIRES 5/31/2000

APPROVED/FOR ACCEPTANCE:

Alice Glasco 10/8/97
ALICE GLASCO, DIRECTOR
DEPT. OF DEVELOPMENT, REVIEW AND INSPECTION

ACCEPTED AND AUTHORIZED FOR RECORD BY THE PLANNING COMMISSION OF THE CITY OF AUSTIN ON THE 7th DAY OF October, 1997 A.D.

J.C. Daulty *Betty Baker*
J.C. DAULTY, CHAIRMAN
BETTY BAKER, SECRETARY

THE STATE OF TEXAS
COUNTY OF TRAVIS

I, DANA DEBEAUVOR, CLERK OF TRAVIS COUNTY, TEXAS, DO HEREBY CERTIFY THAT THE FOREGOING INSTRUMENT OF WRITING, WITH ITS CERTIFICATE OF AUTHENTICATION WAS FILED FOR RECORD IN MY OFFICE ON THE 10 DAY OF October A.D. 1997 AT 11 O'CLOCK A. M., AND DULY RECORDED ON THE 10 DAY OF October A.D. 1997 AT 11 O'CLOCK A. M., IN THE PLAT RECORDS OF SAID COUNTY AND STATE, IN PLAT BOOK NO. 100, PAGE(S) 9-10

WITNESS MY HAND AND SEAL OF OFFICE OF THE COUNTY CLERK, THE 10 DAY OF October, 1997 A.D.

DANA DEBEAUVOR, COUNTY CLERK, TRAVIS COUNTY, TEXAS

BY *P. McCurley*
DEPUTY



FILED FOR RECORD, AT 11 O'CLOCK A. M., THIS 10 DAY OF October 1997 A.D.

DANA DEBEAUVOR, COUNTY CLERK, TRAVIS COUNTY, TEXAS

BY *P. McCurley*
DEPUTY



SURVEYOR'S CERTIFICATION

I, ROBERT C. WATTS, JR., AM AUTHORIZED UNDER THE LAWS OF THE STATE OF TEXAS TO PRACTICE THE PROFESSION OF SURVEYING AND HEREBY CERTIFY THAT THIS PLAT COMPLIES WITH THE SURVEYING RELATED PORTIONS OF TITLE 13 OF THE AUSTIN CITY CODE OF 1981 AS AMENDED, IS TRUE AND CORRECT, AND WAS PREPARED FROM AN ACTUAL SURVEY OF THE PROPERTY MADE BY ME OR MADE UNDER MY SUPERVISION, MADE ON THE GROUND ON JUNE 14TH, 1997.

Robert C. Watts 7-17-97
ROBERT C. WATTS, JR., R.P.L.S. 4995



SURVEYING BY:
CHAPARRAL PROFESSIONAL LAND SURVEYING
510 SOUTH CONGRESS, SUITE 110
AUSTIN, TEXAS 78704
512-476-7103

ENGINEER'S CERTIFICATION

I, GREGORY GRIFFIN, AM AUTHORIZED UNDER THE LAWS OF THE STATE OF TEXAS TO PRACTICE THE PROFESSION OF ENGINEERING, AND HEREBY CERTIFY THAT THIS PLAT IS FEASIBLE FROM AN ENGINEERING STANDPOINT AND COMPLIES WITH THE ENGINEERING RELATED PORTIONS OF TITLE 13 OF THE AUSTIN CITY CODE OF 1981, AS AMENDED, AND IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE.

NO PORTION OF THIS TRACT IS WITHIN THE BOUNDARIES OF THE 100 YEAR FLOOD PLAIN AS DEPICTED ON FIRM PANEL 48453C0165 E, DATED JUNE 16, 1993 FOR TRAVIS COUNTY AND INCORPORATED AREAS.

Gregory Griffin 7/18/97
GREGORY GRIFFIN, P.E. 64151



ENGINEERING BY:
GRIFFIN ENGINEERING GROUP, INC.
11711 NORTH LAMAR BLVD.
AUSTIN, TEXAS 78753
512-836-3113

11. THE ELECTRIC UTILITY HAS THE RIGHT TO PRUNE AND/OR REMOVE TREES, SHRUBBERY AND OTHER OBSTRUCTIONS TO THE EXTENT NECESSARY TO KEEP THE EASEMENTS CLEAR. THE UTILITY WILL PERFORM ALL TREE WORK IN COMPLIANCE WITH CHAPTER 13-7, ARTICLE II OF THE CITY OF AUSTIN LAND DEVELOPMENT CODE.

THE OWNER/DEVELOPER OF THIS SUBDIVISION/LOT SHALL PROVIDE THE CITY OF AUSTIN ELECTRIC UTILITY DEPARTMENT WITH ANY EASEMENT AND/OR ACCESS REQUIRED, IN ADDITION TO THOSE INDICATED, FOR THE INSTALLATION AND ONGOING MAINTENANCE OF OVERHEAD AND UNDERGROUND ELECTRIC FACILITIES. THESE EASEMENTS AND/OR ACCESS ARE REQUIRED TO PROVIDE ELECTRIC SERVICE TO THE BUILDING, AND WILL NOT BE LOCATED SO AS TO CAUSE THE SITE TO BE OUT OF COMPLIANCE WITH CHAPTER 13-7 OF THE CITY OF AUSTIN LAND DEVELOPMENT CODE.

ELECTRIC EASEMENTS ARE RESERVED AS FOLLOWS:

A 10' ELEC. EASEMENT ADJACENT TO ALL STREET RIGHTS OF WAY.

ANY ELEC. UTILITY ACTIVITY SHALL BE INCLUDED UNDER THE DEVELOPMENT PERMIT.

THE OWNER SHALL BE RESPONSIBLE FOR THE INSTALLATION OF TEMPORARY EROSION CONTROLS, REVEGETATION AND TREE PROTECTION FOR ELECTRIC UTILITY WORK REQUIRED TO PROVIDE ELECTRIC SERVICE TO THIS PROJECT.

12. THIS SUBDIVISION WAS APPROVED AND RECORDED BEFORE THE CONSTRUCTION AND ACCEPTANCE OF STREETS AND OTHER SUBDIVISION IMPROVEMENTS. PURSUANT TO THE TERMS OF A SUBDIVISION IMPROVEMENTS AGREEMENT BETWEEN THE SUBDIVIDER AND THE CITY OF AUSTIN DATED 07/3, 1997, THE SUBDIVIDER IS RESPONSIBLE FOR THE CONSTRUCTION OF ALL STREETS AND FACILITIES NEEDED TO SERVE THE LOTS WITHIN THE SUBDIVISION. THIS RESPONSIBILITY MAY BE ASSIGNED IN ACCORDANCE WITH THE TERMS OF THAT AGREEMENT.
FOR THE SUBDIVISION IMPROVEMENTS AGREEMENT PERTAINING TO THIS SUBDIVISION, SEE SEPARATE INSTRUMENT RECORDED IN VOL. 13033 PG. 2080 IN THE DEED RECORDS OF TRAVIS COUNTY, TEXAS.

13. PRIOR TO CONSTRUCTION ON LOTS IN THIS SUBDIVISION, DRAINAGE PLANS WILL BE SUBMITTED TO THE CITY OF AUSTIN FOR REVIEW. RAINFALL RUNOFF SHALL BE HELD TO THE AMOUNT EXISTING AT UNDEVELOPED STATUS BY PONDING OR OTHER APPROVED METHODS. ALL PROPOSED CONSTRUCTION OR SITE ALTERATION ON LOT 1, BLOCK 143 REQUIRES APPROVAL OF A SEPARATE DEVELOPMENT.

PROJECT NO.:
06-97040
DRAWING NO.:
06-4001
PLOT DATE:
07/17/97
PLOT SCALE:
1"=100'
DRAWN BY:
LEA
SHEET
02 OF 02

Recording requested by and
when recorded mail to:

HealthSouth Corporation
3660 Grandview Parkway, Suite 200
Birmingham, AL 35243
Attention: David W. Stephenson

COVENANT OF USE RESTRICTION

This COVENANT OF USE RESTRICTION is executed as of the 28th day of February, 2017, by the **City of Austin**, a Texas home-rule city and municipal corporation situated in Travis, Williamson and Hays County, Texas (the “City”), whose address is P.O. Box 1088, Austin, Texas, 78767-8839, Attention: Office of Real Estate Services, in favor of **HealthSouth Corporation** (“HealthSouth”), a Delaware corporation, whose address is 3660 Grandview Parkway, Suite 200, Birmingham, Alabama 35243, Attention: Real Estate Department.

Recitals

A. Contemporaneously herewith, HealthSouth Rehabilitation Hospital of Austin, Inc., a Delaware corporation, an affiliate of HealthSouth, is conveying its leasehold interest in that certain real property in Travis County, Texas, which is more particularly described on Exhibit A attached hereto and made a part hereof (the “Restricted Property”) to the City.

B. The City and HealthSouth desire to restrict the Restricted Property from being used as an inpatient rehabilitation facility as part of the consideration for the transfer of the Restricted Property to the City.

Agreement

NOW, THEREFORE, in consideration of the Recitals and the mutual promises herein contained, and for other good and valuable consideration, the receipt and sufficiency of which are acknowledged, the City agrees as follows:

1. Use Restriction. The City hereby covenants and agrees that no part of the Restricted Property shall be occupied or used as an inpatient physical rehabilitation hospital operated as a general or special hospital licensed by the Texas Department of State Health Services (or other succeeding regulatory agency having jurisdiction) that provides comprehensive medical rehabilitation services at the Restricted Property (the “Use Restriction”). Notwithstanding the foregoing, the Use Restriction shall not limit (i) ancillary rehabilitation services that are incidental to patient care provided in connection with inpatient hospital care, and (ii) inpatient rehabilitation programs providing services other than physical rehabilitation, including substance abuse treatment, narcotics treatment, or mental health services. In no event shall the foregoing subsection (i) be interpreted to permit a hospital to operate an inpatient physical rehabilitation unit. The Use Restriction shall remain in full force and effect for the benefit of HealthSouth, its successors and assigns. In the event of a breach of the Use Restriction, HealthSouth’s remedies at law would be inadequate and therefore, in such event, HealthSouth shall be entitled to all remedies available at law or in equity, provided that the City

shall have no personal responsibility or liability hereunder as a consequence of hereafter conveying title to the Restricted Property "subject to" the Use Restriction set forth herein.

2. Notices. All notices, requests, demands or other communications required or permitted under this instrument shall be in writing and delivered to the addresses set forth above either: (i) by certified U.S. Mail, or (ii) by a recognized overnight courier service (such as Fed Ex). All notices given in accordance with the terms hereof shall be deemed received on the next business day if sent by overnight courier or five (5) days after mailing. Either party hereto may change the address for receiving notices, requests, demands or other communication by notice sent in accordance with the terms of this Section 2.

3. Applicable Law. This instrument shall be governed by and construed in accordance with the laws of the State of Texas.

4. Severability. In case any one or more of the provisions contained in this instrument shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision hereof, and this instrument shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein.

5. Entire Agreement. This instrument contains the entire agreement relating to the rights herein granted and the obligations herein assumed. Any or all representations or modifications concerning this instrument shall be of no force and effect except for a subsequent modification in writing signed by the parties hereto.

6. Covenants Run With the Land; Binding Effect. The rights, obligations and benefits established pursuant to this instrument shall run with the land and shall be binding upon the owner of the Restricted Property and its successors and assigns and all subsequent owners of any portion of the Restricted Property for a period ending upon the earlier of (i) forty-seven (47) years or the (ii) cessation of operations of HealthSouth in the Austin Metropolitan Statistical Area. Nothing contained herein is intended nor shall it be construed as creating any rights in or for the benefit of the general public.

7. Construction. Whenever the context hereof so requires, reference to the singular shall include the plural and likewise, the plural shall include the singular; words denoting gender shall be construed to mean the masculine, feminine or neuter, as appropriate; and specific enumeration shall not exclude the general, but shall be construed as cumulative of the general recitation.

8. Waiver and Amendment. No breach of any provision hereof can be waived unless in writing. Waiver of any one breach shall not be deemed to be a waiver of any other breach of the same or any other provision hereof. This instrument may be amended only by a written agreement executed by HealthSouth.

[Signature Page Follows]

IN WITNESS WHEREOF, the City has caused this instrument to be executed by its duly authorized representative as of the date first written above.

City of Austin

By: Lauraine Rizer
Name: Lauraine Rizer
Title: Officer

STATE OF TEXAS

COUNTY OF TRAVIS

I, the undersigned, a Notary Public in and for said county in said state, hereby certify that Lauraine Rizer, whose name as Officer of the City of Austin, is signed to the foregoing instrument and who is known to me, acknowledged before me on this day that, being informed of the contents of such instrument, he, as such officer and with full authority, executed the same voluntarily on the day the same bears date for and as the act of said City.

GIVEN under my hand and official seal of office, this 28 day of February, 2017.

[NOTARIAL SEAL]

Laura Seer
Notary Public

My Commission Expires: 8/27/18

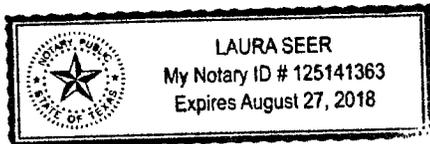


EXHIBIT "A"

**PROPERTY DESCRIPTION
OF**

1.382 acres of land being out of and a part of Lot 5 through 8 inclusive, Block 143, of the Original City of Austin, Travis County, Texas, according to a map or plat of said Original City of Austin on file in the General Land Office of the State of Texas, and being out of and a part of certain portions of Red River and 13th Streets as vacated by the City Council of the City of Austin, in Ordinances Number 76 0318-D and 75 0529-A respectively, said Lots 5 through 8 inclusive, Block 143 and said vacated Red River and 13th Streets were conveyed to the City of Austin, a municipal corporation, by the following seven (7) instruments:

- (1) Warranty Deed dated May 30, 1952, recorded in Volume 1264, Pages 172-173 of the Deed Records of Travis County, Texas;
- (2) Warranty Deed dated March 10, 1965, recorded in Volume 2930, Pages 544-546 of the Deed Records of Travis County, Texas;
- (3) Warranty Deed dated May 26, 1965, recorded in Volume 2968, Pages 1902-1903 of the Deed Records of Travis County, Texas;
- (4) Warranty Deed dated June 15, 1970, recorded in Volume 3870, pages 1340-1341 of the Deed Records of Travis County, Texas;
- (5) Warranty Deed dated December 29, 1970, recorded in Volume 3977, Pages 1107-1108 of the Deed Records of Travis County, Texas;
- (6) Ordinance No. 75 0529-A dated May 29, 1975, recorded in Volume 5234, Pages 2071-2074 of the Deed Records of Travis County, Texas; and
- (7) Ordinance No. 76 0318-D dated March 18, 1976, recorded in Volume 5539, Pages 2237-2240 of the Deed Records of Travis County, Texas;

said 1.382 acres of land being more particularly described by metes and bounds as follows:

BEGINNING: at a found chiseled "+" in concrete at the Southeast corner of said Lot 5, Block 143, same being at the intersection of the North Right of Way Line of East 12th Street Alley, with the West Right of Way Line of Sabine Street, and also being the Southeast corner of this parcel:

THENCE: NORTH 71 deg. 09' 00" West, (said bearing being a reference bearing for all bearings in this description), a distance of 308.21 feet along the South line of this parcel and said Lots 5 through 8 inclusive, Block 143, and their Westerly prolongation and the North Right of Way of East 12th Street Alley to a found chiseled "+" in concrete in the East Right of Way Line of relocated Red River Street and being the Southwest corner of this parcel and being a point on a curve whose radius bears North 88 deg. 49' 44" West, a distance of 590.00 feet;

THENCE: the following courses along the West line of this parcel and the relocated East Right of Way Line of Red River Street:

94.58 feet along the arc of a curve to the left, having a radius of 590.00 feet and a central angle of 09 deg. 11' 06" and whose chord bears North 03 deg. 25' 17" West, a distance of 94.48 feet to a found 1/2" iron pin being a Point of Tangency;

NORTH 08 deg. 03' 01" West, a distance of 34.54 feet to a set 1/2" iron pin being an angle point; and

NORTH 19 deg. 00' 44" East, a distance of 49.06 feet to a found 1/2" iron pin being the Northwest corner of this parcel;

THENCE: the following courses along the North boundary of this parcel:

SOUTH 71 deg. 20' 15" East, a distance of 99.89 feet to a found 5/8" iron pin being an angle point;

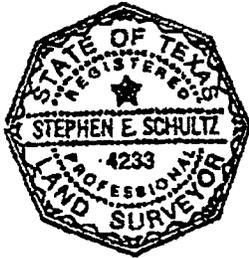
NORTH 16 deg. 28' 45" East, a distance of 12.24 feet to a found chiseled "+" in concrete being an angle point; and

SOUTH 71 deg. 08' 07" East, a distance of 260.60 feet to a found chiseled "+" in concrete in the West Right of Way Line of Sabine Street and being the Northeast corner of this parcel;

THENCE:

SOUTH 19 deg. 00' 07" West, a distance of 179.79 feet along the East line of this parcel and the West Right of Way Line of Sabine Street to a found chiseled "+" in concrete being the POINT OF BEGINNING, and containing 1.382 acres of land.

12/30/93



Stephen E. Schultz
1/4/94

AFTER RECORDING, RETURN TO CITY OF AUSTIN:

City of Austin
Office of Real Estate Services
Attn: Laura Seer
505 Barton Springs Rd., Ste. 1350
Austin, Texas 78704

Project Name: HealthSouth
TCAD: 02-0805-1117



**FILED AND RECORDED
OFFICIAL PUBLIC RECORDS**

Dana Debeauvoir

DANA DEBEAUVOIR, COUNTY CLERK
TRAVIS COUNTY, TEXAS

March 01 2017 03:37 PM

FEE: \$ 50.00 2017034150

552

ORDINANCE NO. 760122-A

MAR -4-76~~25~~ 8207 * 5.50 *

1-27-2415

AN ORDINANCE VACATING AND PERPETUALLY CLOSING THOSE CERTAIN PORTIONS OF RED RIVER STREET AND EAST 14TH STREET ALLEY, IN THE CITY OF AUSTIN, TRAVIS COUNTY, TEXAS; RETAINING EASEMENTS IN THE CITY FOR GAS, WASTE WATER, ELECTRIC UTILITY, TELEPHONE AND WATER LINE PURPOSES; SUSPENDING THE RULE REQUIRING THE READING OF AN ORDINANCE ON THREE SEPARATE DAYS; AND DECLARING AN EMERGENCY.

WHEREAS, that certain street known as Red River Street and that certain alley known as East 14th Street Alley were reserved and dedicated to the public by a map or plat of the Original City of Austin, Travis County, Texas, on file in the General Land Office of the State of Texas; and,

WHEREAS, the owners of property abutting the hereinafter described portions of said street and alley have requested the City Council of the City of Austin to vacate and perpetually close to public travel the hereinafter described portions of said street and alley; and,

WHEREAS, it has been determined by the City Council of the City of Austin that said portions of such street and alley are not now needed and will not be required in the future, except as an easement for gas, waste water, electric utility, telephone and water line purposes; Now, Therefore,

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF AUSTIN:

SECTION 1. That the hereinafter described portions of said street and alley be, and the same are hereby vacated and perpetually closed for public use; SAVE AND EXCEPT as provided in Section 2 hereof; said portions so vacated being more particularly described as follows:

Three (3) tracts of land, the tract of land hereinafter described as Number One containing 1.57 acres of land and being out of and a part of that certain street eighty (80.00) feet in width in the City of Austin, Travis County, Texas, known as Red River Street as shown on a map or plat of the Original City of Austin, Travis County, Texas, on file in the General Land Office of the State of Texas, the tract of land hereinafter described as Number Two containing 0.96 of one acre of land and being out of and a part of said Red River Street, and the tract of land hereinafter described as Number Three containing 4,359 square feet of land and being out of and a part of that certain alley twenty (20.00) feet in width that traverses Block 168, the Original City of Austin, as shown on said map or plat of the Original City of Austin; each of the said three (3) tract of land is more particularly described by metes and bounds as follows:

DEED RECORDS
Travis County, Texas

5388 1230

1-27-2416

NUMBER ONE, BEGINNING at the northeast corner of the herein described tract of land, same being the northwest corner of Lot 8, Block 167, in said Original City of Austin, same also being the intersection of the south line of East 15th Street with the east line of Old Red River Street;

- THENCE, with said east line of Red River Street S 19° 00' W 1,054.38 feet to the most southerly corner of the herein described tract of land, same being a point in the north line of East 12th Street, same also being a point in the curving east line of relocated Red River Street, said curve having an angle of intersection of 27° 00', a radius of 590.00 feet and a tangent distance of 141.65 feet;

THENCE, along said curve to the left an arc distance of 278.03 feet, the long chord of which arc bears N 05° 30' E 275.47 feet to the point of tangency of said curve;

THENCE, continuing with said east line of relocated Red River Street, N 08° 00' W 34.56 feet to the most westerly corner of the herein described tract of land, same being a point in the west line of Old Red River Street;

THENCE, with said west line of Old Red River Street N 19° 00' E 755.52 feet to the northwest corner of the herein described tract of land, same being a point in the aforesaid south line of East 15th Street;

THENCE, with said south line of East 15th Street S 71° 10' E 80.00 feet to the point of beginning.

NUMBER TWO, BEGINNING at the southwest corner of the herein described tract of land, same being the southeast corner of Outlot 60, Division E, of the Government Outlots adjoining the Original City of Austin, according to a map or plat of said Government Outlots on file in the General Land Office of the State of Texas, same also being the intersection of the north line of East 15th Street, with the west line of Old Red River Street;

THENCE, with said west line of Old Red River Street, N 19° 00' E 429.80 feet to the northwest corner of the herein described tract of land, same being a point in the curving east line of relocated Red River Street, said curve having an angle of intersection of 30° 27', a radius of 597.31 feet and a tangent distance of 157.67 feet;

THENCE, with the east line of relocated Red River Street along said curve to the left an arc distance of 307.88 feet, the chord of which arc bears N 34° 13' W 304.26 feet to the most northerly corner of the herein described tract of land, same being the intersection of the north line of East 17th Street with the east line of Old Red River Street;

THENCE, with said east line of Old Red River Street, S 19° 00' W 723.37 feet to the southeast corner of the herein described tract of land, same being the southwest corner of Outlot 65, Division E, of the aforesaid Government Outlots, same being a point in the aforesaid north line of East 15th Street;

5388 1231

1-27-2417

THENCE, with said north line of East 15th Street, N 71° 10' W 80.00 feet to the point of beginning.

NUMBER THREE, BEGINNING at the southeast corner of the herein described tract of land, same being the intersection of the west line of Old Red River Street with the south line of the aforesaid twenty (20.00) foot alley traversing Block 168;

THENCE, with said south line of an alley twenty (20.00) feet in width, N 71° 10' W 207.00 feet to an exterior ell corner of the herein described tract of land, same being the northwest corner of Lot 2 in said Block 168;

THENCE, in a northerly and westerly direction with the following three (3) courses:

- (1) N 19° 00' E 10.00 feet to a point;
- (2) N 71° 10' W 21.87 feet to a point;
- (3) N 19° 00' E 10.00 feet to a point in the north line of the aforesaid alley twenty (20.00) feet in width;

THENCE, with said north line of the alley twenty (20.00) feet in width, S 71° 10' E 228.87 feet to the northeast corner of the herein described tract of land, same being a point in the aforesaid west line of Old Red River Street;

THENCE, with said west line of Old Red River Street, S 19° 00' W 20.00 feet to the point of beginning.

SECTION 2. There are hereby retained in the City the following easements in, upon and across the areas described in Section 1 hereof:

1. A gas easement in, upon and across a strip of land twenty (20.00) feet in width across Old Red River Street, centerline of said twenty (20.00) foot strip of land will be thirty 30.00 feet south of and parallel to the north line of East 13th Street.
2. Two (2) waste water easements in, upon and across a strip of land forty (40.00) feet in width and across Old Red River Street, centerline of said forty (40.00) foot strip of land will be twenty (20.00) feet south of and parallel to the north line of East 14th Street, and a strip of land twenty (20.00) feet in width whose centerline is ten (10.00) feet west of and parallel to the east line of Old Red River Street and extends from the east line of relocated Red River Street in a northerly direction 140.00 feet;
3. An electric easement in, upon and across East 14th Street Alley that extends from the west line of Old Red River Street in a westerly direction 228.87 feet;
4. A telephone easement in, upon and across a strip of land ten (10.00) feet in width whose centerline is five (5.00) feet west of and parallel to the east line of Old Red River Street and extends from the south line of East 15th Street in a southerly direction 150.00 feet more or less, or to entrance of new Brackenridge Hospital;

1-27-2418

5. A water line easement in, upon and across a strip of land ten (10.00) feet in width whose centerline is thirty (30.00) feet north of and parallel to the south line of East 14th Street and said centerline of easement has a ninety degree (90°) turn at twenty-eight (28.00) feet east of and parallel to the west line of Old Red River Street and continues in a southerly direction 600 feet more or less or to the east line of relocated Red River Street.

SECTION 3. Pursuant to Articles 1017 and 5421c-12, Section 2.(b) of Tex.Rev. Civ.Stat.Ann., the portion of the street herein vacated shown as Number Two in Section 1 hereof, is hereby sold to the University of Texas at Austin, and the City Manager or Deputy City Manager of the City of Austin is hereby directed to execute ~~conveyance~~ of said vacated portion to the said University of Texas at Austin.

SECTION 4. WHEREAS, an emergency is apparent for the immediate preservation of order, health, safety and general welfare of the public, which emergency requires the suspension of the rule providing for the reading of an ordinance on three separate days, and requires that this Ordinance become effective immediately upon its passage, therefore the rule requiring the reading on three separate days is hereby suspended and this Ordinance shall become effective immediately upon its passage as provided by the Charter of the City of Austin.

PASSED AND APPROVED

Y

January 22, 1976

Y

George M. Kuehl
Mayor

APPROVED: *D. R. Roth*
City Attorney

ATTEST: *Grace Monroe*
City Clerk

20JAN76

5388 1233

1-27-2419

THE STATE OF TEXAS |
COUNTY OF TRAVIS |

I, Grace Monroe, City Clerk of the City of Austin, Texas,
do hereby certify that the foregoing instrument is a true and
correct copy of Ordinance No. 760122-A passed by the
City Council of the City of Austin, Texas, at a regular meeting
on the 22nd day of January, 19 76.

(CORPORATE SEAL)

Grace Monroe

City Clerk
City of Austin, Texas

STATE OF TEXAS COUNTY OF TRAVIS
I hereby certify that this instrument was FILED on the
date and at the time stamped herein by me; and was duly
RECORDED, in the Volume and Page of the named RECORDS
of Travis County, Texas, as Stamped herein by me, on

MAR 4 1976



Doris Shropshire
COUNTY CLERK
TRAVIS COUNTY, TEXAS

FILED

MAR 4 8 03 AM '76

Doris Shropshire
COUNTY CLERK
TRAVIS COUNTY, TEXAS

5388 1234

CITY OF AUSTIN, TEXAS

ORDINANCE NO. 76 0318-D

~~AUG 25-7655~~ 5048 * 4.50

450
1-36-9566

AN ORDINANCE AMENDING ORDINANCE NO. 760122-A BY SUBSTITUTING FIELD NOTES FOR THOSE INCLUDED IN ORDINANCE NO. 760122-A; SAID ORDINANCE VACATED AND PERPETUALLY CLOSED CERTAIN PORTIONS OF RED RIVER STREET AND EAST 14TH STREET ALLEY, IN THE CITY OF AUSTIN, TRAVIS COUNTY, TEXAS; RETAINING EASEMENTS IN THE CITY FOR GAS, WASTE WATER, ELECTRIC UTILITY, TELEPHONE AND WATER LINE PURPOSES; SUSPENDING THE RULE REQUIRING THE READING OF AN ORDINANCE ON THREE SEPARATE DAYS; AND DECLARING AN EMERGENCY.

WHEREAS, on January 22, 1976 in Ordinance No. 760122-A, the City Council vacated and perpetually closed certain portions of Red River Street and East 14th Street Alley; and,

WHEREAS, the vacation and closing are correctly described, however, the accompanying distances within the calls should be corrected in order that both the described boundaries of the vacated portion of Red River Street and its distance might agree; and,

WHEREAS, all other provisions of Ordinance No. 760122-A should remain in effect; Now, Therefore,

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF AUSTIN:

SECTION 1. That Ordinance No. 760122-A is hereby amended by substituting the following field notes for those enclosed in said Ordinance; said hereinafter specified field notes are as follows:

Three (3) tracts of land, the tract of land hereinafter described as Number One containing 1.57 acres of land and being out of and a part of that certain street eighty (80.00) feet in width in the City of Austin, Travis County, Texas, known as Red River Street as shown on a map or plat of the Original City of Austin, Travis County, Texas, on file in the General Land Office of the State of Texas, the tract of land hereinafter described as Number Two containing 0.87 of one acre of land and being out of and a part of said Red River Street, and the tract of land hereinafter described as Number Three containing 4,359 square feet of land and being out of and a part of that certain alley twenty (20.00) feet in width that traverses Block 168, the Original City of Austin, as shown on said map or plat of the Original City of Austin; each of the said three (3) tracts of land is more particularly described by metes and bounds as follows:

NUMBER ONE, BEGINNING at the northeast corner of the herein described tract of land, same being the northwest corner of Lot 8, Block 167, in said Original City of Austin, same also being the intersection of the south line of East 15th Street with the east line of Old Red River Street;

1-36-9567

THENCE, with said east line of Red River Street S 19° 00' W 1,054.38 feet to the most southerly corner of the herein described tract of land, same being a point in the north line of East 12th Street, same also being a point in the curving east line of relocated Red River Street, said curve having an angle of intersection of 27° 00', a radius of 590.00 feet and a tangent distance of 141.65 feet;

THENCE, along said curve to the left an arc distance of 278.03 feet, the long chord of which arc bears N 05° 30' E 275.47 feet to the point of tangency of said curve;

THENCE, continuing with said east line of relocated Red River Street, N 08° 00' W 34.56 feet to the most westerly corner of the herein described tract of land, same being a point in the west line of Old Red River Street;

THENCE, with said west line of Old Red River Street N 19° 00' E 755.52 feet to the northwest corner of the herein described tract of land, same being a point in the aforesaid south line of East 15th Street;

THENCE, with said south line of East 15th Street S 71° 10' E 80.00 feet to the point of beginning.

NUMBER TWO, BEGINNING at the southwest corner of the herein described tract of land, same being the southeast corner of Outlot 60, Division E, of the Government Outlots adjoining the Original City of Austin, according to a map or plat of said Government Outlots on file in the General Land Office of the State of Texas, same also being the intersection of the north line of East 15th Street, with the west line of Old Red River Street;

THENCE, with said west line of Old Red River Street, N 19° 00' E 379.80 feet to the northwest corner of the herein described tract of land, same being a point in the curving east line of relocated Red River Street, said curve having an angle of intersection of 30° 27', a radius of 597.31 feet and a tangent distance of 157.67 feet;

THENCE, with the east line of relocated Red River Street along said curve to the left an arc distance of 307.88 feet, the chord of which arc bears N 34° 13' W 304.26 feet to the most northerly corner of the herein described tract of land, same being the intersection of the north line of East 17th Street with the east line of Old Red River Street;

THENCE, with said east line of Old Red River Street, S 19° 00' W 673.37 feet to the southeast corner of the herein described tract of land, same being the southwest corner of Outlot 65, Division E, of the aforesaid Government Outlots, same being a point in the aforesaid north line of East 15th Street;

THENCE, with said north line of East 15th Street, N 71° 10' W 80.00 feet to the point of beginning.

NUMBER THREE, BEGINNING at the southeast corner of the herein described tract of land, same being the intersection of the west line of Old Red River Street with the south line of the aforesaid twenty (20.00) foot alley traversing Block 168;

1-36-9568

THENCE, with said south line of an alley twenty (20.00) feet in width, N 71° 10' W 207.00 feet to an exterior ell corner of the herein described tract of land, same being the northwest corner of Lot 2 in said Block 168;

THENCE, in a northerly and westerly direction with the following three (3) courses:

- (1) N 19° 00' E 10.00 feet to a point;
- (2) N 71° 10' W 21.87 feet to a point;
- (3) N 19° 00' E 10.00 feet to a point in the north line of the aforesaid alley twenty (20.00) feet in width;

THENCE, with said north line of the alley twenty (20.00) feet in width, S 71° 10' E 228.87 feet to the northeast corner of the herein described tract of land, same being a point in the aforesaid west line of Old Red River Street;

THENCE, with said west line of Old Red River Street, S 19° 00' W 20.00 feet to the point of beginning.

SECTION 2. WHEREAS, an emergency is apparent for the immediate preservation of order, health, safety and general welfare of the public, which emergency requires the suspension of the rule providing for the reading of an ordinance on three separate days, and requires that this Ordinance become effective immediately upon its passage, therefore the rule requiring the reading on three separate days is hereby suspended and this Ordinance shall become effective immediately upon its passage as provided by the Charter of the City of Austin.

PASSED AND APPROVED
March 18 1976

APPROVED: *[Signature]*
Acting City Attorney

[Signature]
Mayor
ATTEST: *[Signature]*
City Clerk

18MAR76
DLW:sh

1-36-9569

THE STATE OF TEXAS |
COUNTY OF TRAVIS |

I, Grace Monroe, City Clerk of the City of Austin, Texas,
do hereby certify that the foregoing instrument is a true and
correct copy of Ordinance No. 760318-D passed by the
City Council of the City of Austin, Texas, at a regular meeting
on the 18th day of March, 19 76.

(CORPORATE SEAL)

Grace Monroe

City Clerk
City of Austin, Texas

FILED

AUG 23 8 03 AM '76

Doris Shropshire

COUNTY CLERK
TRAVIS COUNTY, TEXAS

STATE OF TEXAS COUNTY OF TRAVIS
I hereby certify that this instrument was FILED on the
date and at the time stamped hereon by me; and was duly
RECORDED, in the Volume and Page of the named RECORDS
of Travis County, Texas, as Stamped hereon by me, on

AUG 23 1976



Doris Shropshire

COUNTY CLERK
TRAVIS COUNTY, TEXAS

5539 2240

1700

DOC. NO.

00103376

RESOLUTION

11:43 AM 0975

17.00 INDX
1 1 11/07/88

WHEREAS, following publication of notice as required by Section 374.014 of the Texas Local Government Code, the City Council of the City of Austin held a public hearing on July 21, 1988, regarding amendments to the Brackenridge Urban Renewal Plan Tex. R-94; and

WHEREAS, the City Council of the City of Austin deems it in the best interest of the City of Austin to approve certain land use amendments to the Land Use Plan, URP-II, of the Brackenridge Urban Renewal Plan Tex. R-94; Now, Therefore,

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

1. That the Land Use Plan, URP-II, of the Brackenridge Urban Renewal Plan, recorded at Page 1579 of Volume 3620 of the Deed Records of Travis County, and as thereafter amended, is amended to change the use designation of the property described below, which is situated within the Plan, from "P-1" to "P-2". This property is described as follows:

Waterloo Park, Section 1, Lot 1, as described by metes and bounds in the attached Exhibit "A", incorporated by reference for all purposes.

2. That the Land Use Plan, URP-II, of the Brackenridge Urban Renewal Plan, recorded at Page 1579 of Volume 3620 of the Deed Records of Travis County, and as thereafter amended, is amended to change use

designation of the property described below, which is situated within the Plan, from "P-2" to "B-1". This property is described as follows:

1.249 acres of land, being a part of lots 5 through 8, inclusive, of the Original City of Austin, Travis County, Texas, and being more particularly described by metes and bounds in the attached Exhibit "B", incorporated by reference for all purposes.

Adopted: July 21, 1988 ATTEST: James E. Aldridge
James E. Aldridge
City Clerk

SJH:bh
21JUL1988
072188HC.RES

FIELD NOTES

FIELD NOTES FOR 0.7188 OF ONE ACRE OF LAND; SAME BEING ALL OF LOT 1, WATERLOO PARK, SEC. 1, A SUBDIVISION BY AND IN THE CITY OF AUSTIN; TRAVIS COUNTY, TEXAS; OF RECORD IN BOOK 79 AT PAGE 201 OF THE PLAT RECORDS OF TRAVIS COUNTY, TEXAS; SAID 0.7188 OF ONE ACRE OF LAND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING at a railroad spike set at the northwest corner of said Lot 1, same being the northwest corner of the herein described tract of land, and which point of beginning is the intersection of the south line of East 15th Street with the east line of Trinity Street;

THENCE; with said south line of East 15th Street, S 71° 09' 00" E 175.00 feet to the northeast corner of said Lot 1, same being the northeast corner of the herein described tract of land;

THENCE; with the east line of said Lot 1; S 19° 00' 00" W 195.00 feet to a square head galvanized steel bolt set at the southeast corner of said Lot 1; same being the southeast corner of the herein described tract of land;

THENCE, with the most easterly south line of said Lot 1; N 71° 09' 00" W 108.00 feet to a square head galvanized steel bolt set at the most southerly southwest corner of said Lot 1; same being the most southerly southwest corner of the herein described tract of land;

THENCE; with the most southerly west line of said Lot 1, N 19° 00' 00" E 42.00 feet to a square head galvanized steel bolt set at an interior ell corner of said Lot 1; same being an interior ell corner of the herein described tract of land;

THENCE; with the most westerly south line of of said Lot 1; N 71° 09' 00" W 67.00 feet to a square head galvanized steel bolt set at the most northerly southwest corner of said Lot 1; same being the most northerly southwest corner of the herein described tract of land; and which point is in the aforesaid east line of Trinity Street;

THENCE; with said east line of Trinity Street; N 19° 00' 00" E 153.00 feet to the point of beginning.

FIELD NOTES: William O. Schramm
05/31/88

APPROVED:

FIELD WORK: T. Thompson
F.B. 3830, Pgs. 5-7

Marvin Shelton
Marvin Shelton, R.P.S.
Chief Surveyor
Department of Transportation
and Public Services

References
2-A-1350 (Bearing Basis)
Section Map 3
Austin Grid J-23-3

br

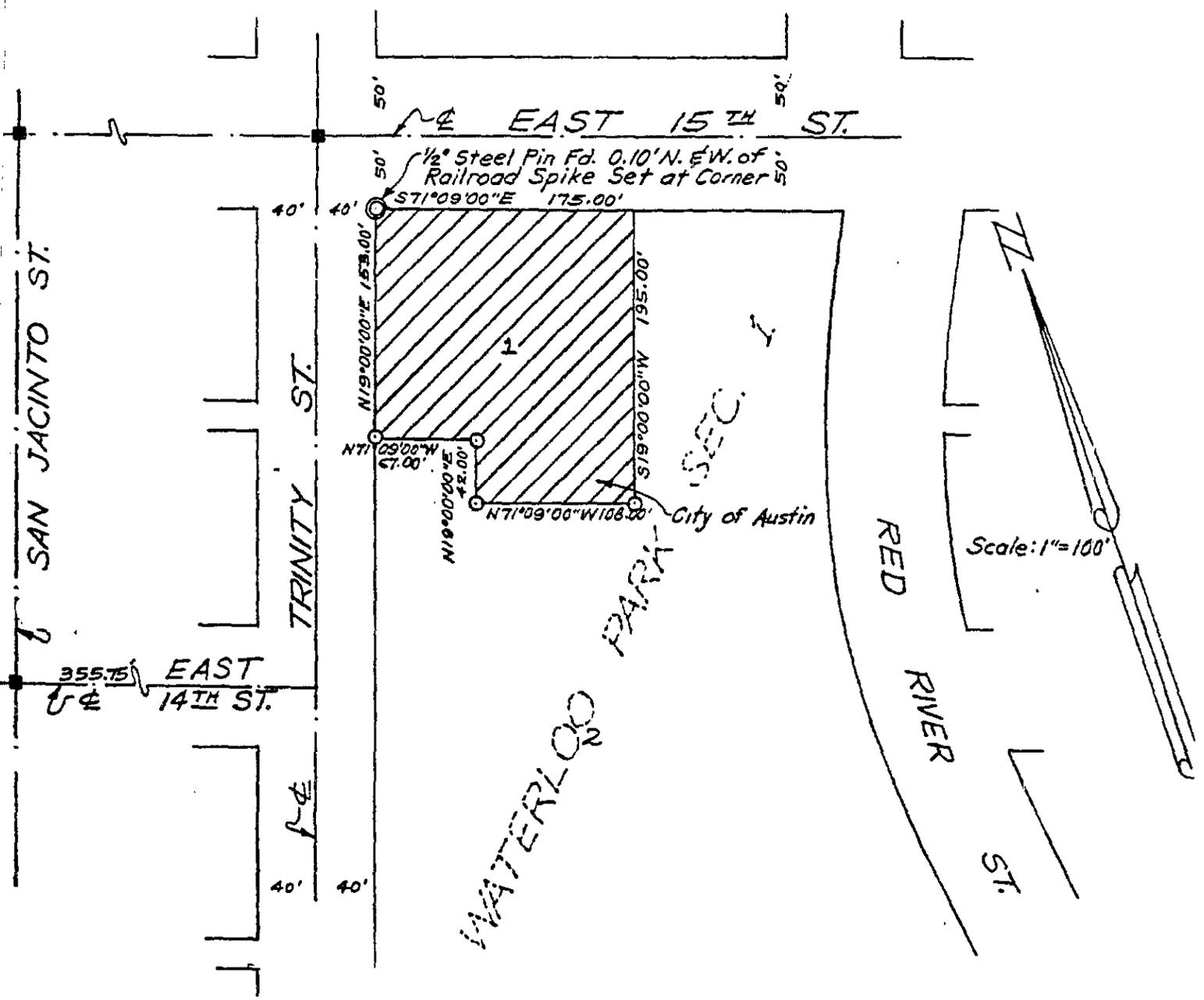
1343



REAL PROPERTY RECORDS
TRAVIS COUNTY, TEXAS

10812 0305

EXHIBIT "A"



- LEGEND**
- Concrete Monument Found
 - Square Head Galvanized Steel Bolt Set
 - Railroad Spike Set

EXHIBIT "A"

Marvin Shelton



Area of Lease Agreement
(Bearing Basis 2-A-1350)



REAL PROPERTY RECORDS
 TARRANT COUNTY, TEXAS
 10812 0306

FIELD NOTES

FIELD NOTES FOR 1.249 ACRES OF LAND; SAME BEING PARTLY OUT OF AND A PART OF LOT 5 THROUGH 8 INCLUSIVE, BLOCK 143, OF THE ORIGINAL CITY OF AUSTIN, TRAVIS COUNTY, TEXAS, ACCORDING TO A MAP OR PLAT OF SAID ORIGINAL CITY OF AUSTIN ON FILE IN THE GENERAL LAND OFFICE OF THE STATE OF TEXAS, AND PARTLY OUT OF AND A PART OF THAT CERTAIN PORTION OF RED RIVER STREET VACATED BY THE CITY COUNCIL OF THE CITY OF AUSTIN IN ORDINANCE NUMBER 760318-D, WHICH LOTS 5 THROUGH 8 INCLUSIVE, BLOCK 143, WERE CONVEYED TO THE CITY OF AUSTIN, A MUNICIPAL CORPORATION, BY THE FOLLOWING FIVE (5) INSTRUMENTS:

(1) WARRANTY DEED DATED MAY 30, 1952, OF RECORD IN VOLUME 1264 AT PAGE 172 OF THE REAL PROPERTY RECORDS OF TRAVIS COUNTY, TEXAS;

(2) WARRANTY DEED DATED MARCH 10, 1965, OF RECORD IN VOLUME 2930 AT PAGE 544 OF THE REAL PROPERTY RECORDS OF TRAVIS COUNTY, TEXAS;

(3) CORRECTION WARRANTY DEED DATED MAY 26, 1965, OF RECORD IN VOLUME 2968 AT PAGE 1902 OF THE REAL PROPERTY RECORDS OF TRAVIS COUNTY, TEXAS;

(4) WARRANTY DEED DATED JUNE 15, 1970 OF RECORD IN VOLUME 3870 AT PAGE 1342 OF THE REAL PROPERTY RECORDS OF TRAVIS COUNTY, TEXAS;

(5) WARRANTY DEED DATED DECEMBER 29, 1970, OF RECORD IN VOLUME 3977 AT PAGE 1107 OF THE REAL PROPERTY RECORDS OF TRAVIS COUNTY, TEXAS;

SAID 1.249 ACRES OF LAND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING at a square head galvanized steel bolt set at the southeast corner of said Lot 5, Block 143, same being the southeast corner of the herein described tract of land, and which point of beginning is the intersection of the west line of Sabine Street with the north line of an alley twenty (20.00) feet in width that traverses said Block 143;

EXHIBIT "B"

REAL PROPERTY RECORDS
TRAVIS COUNTY, TEXAS

10812 0307

THENCE, with the south lines of said Lots 5 through 8 inclusive, Block 143, and their westerly prolongation, N 71° 09' 00" W 308.18 feet to a 60d nail set at the southwest corner of the herein described tract of land, same being a point in the curving east line of Red River Street, said curve having an angle of intersection of 27° 00' 00", a radius of 590.00 feet and a tangent distance of 141.65 feet;

THENCE, with the east line of Red River Street along said curve to the left an arc distance of 94.60 feet, the chord of which arc bears N 03° 25' 00" W 94.50 feet to a number 4 rebar set at the point of tangency of said curve;

THENCE; continuing with the east line of Red River Street, N 08° 00' 36" W 34.56 feet to a cross cut in concrete at the most westerly corner of the herein described tract of land, same being a point in the west line of the aforesaid vacated portion of Red River Street;

THENCE, with said west line the vacated portion of Red River Street, N 19° 01' 37" E 41.74 feet to a number 4 rebar set at the northwest of the herein described tract of land, same being a point in the westerly prolongation of the north lines of the aforesaid Lots 5 through 8 inclusive;

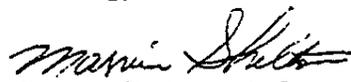
THENCE, with said north lines of Lots 5 through 8 inclusive and their westerly prolongation, S 71° 09' 00" E 359.82 feet to a square head galvanized steel bolt set at the northeast corner of said Lot 5, same being the northeast corner of the herein described tract of land, and which point is in the west line of that certain portion of Sabine Street vacated by the City Council of the City of Austin in ordinance number 760527-A of record in Volume 5480 at Page 873 of the Real Property Records of Travis County, Texas;

THENCE, with said west line of the vacated portion of Sabine Street, S 19° 00' 00" W 160.00 feet to the point of beginning.

FIELD NOTES: William O. Schramm
05/24/88

FIELD WORK: G. Glover
F.B. 2880, Pg. 70-72

APPROVED:


Marvin Shelton, R.P.S.
Chief Surveyor
Department of Transportation
and Public Services

References

2-G-968 (Bearing Basis)
CP19-820
CP30-468 & 908
CP36-1443
CP37-865
V46-329 & 653
Section Map 4
Austin Grid J-22-2 & J-23-3



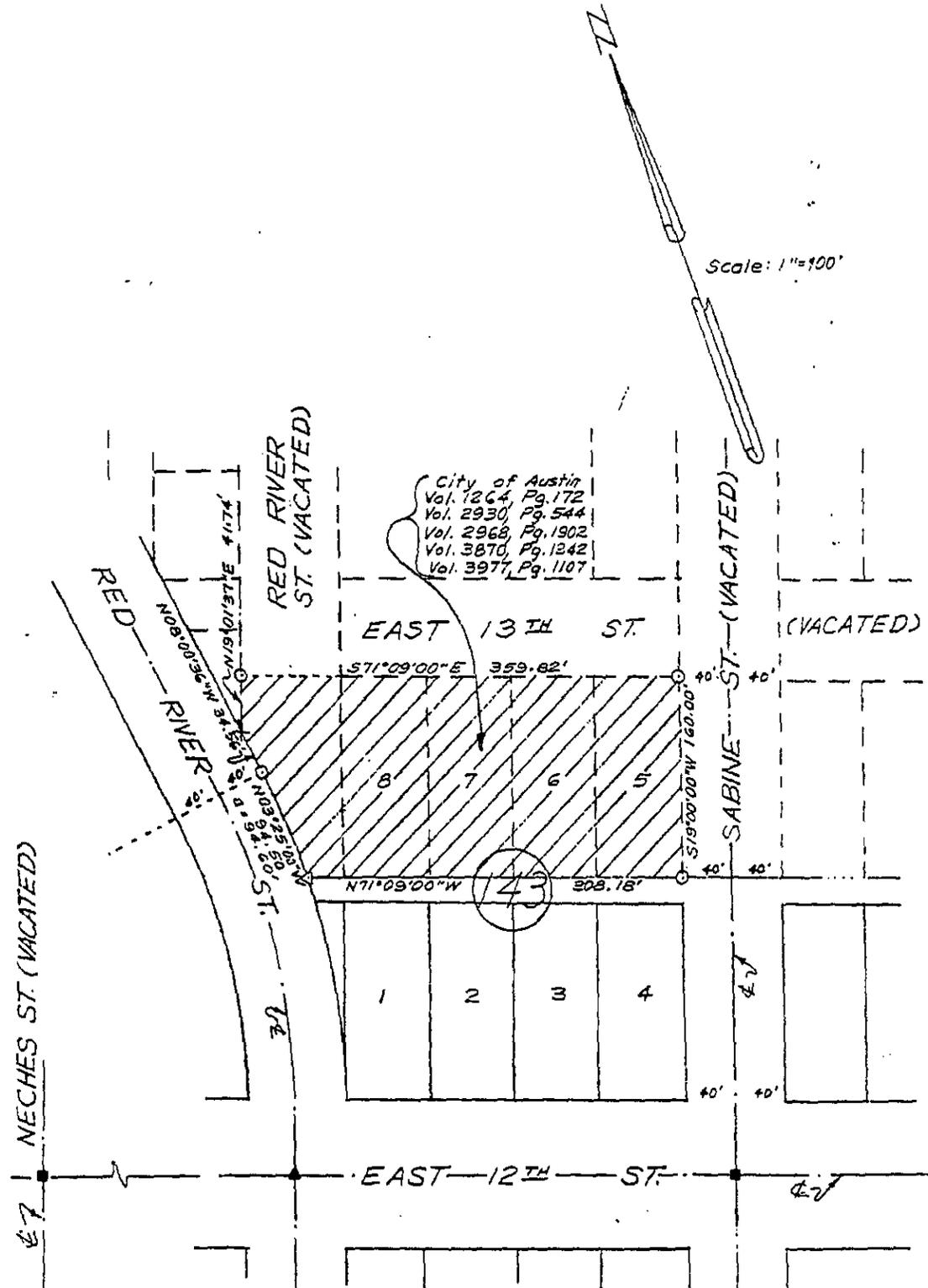
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1327

EXHIBIT "B"

REAL PROPERTY RECORDS
TRAVIS COUNTY, TEXAS

Scale: 1"=100'



City of Austin
 Vol. 1264, Pg. 172
 Vol. 2930, Pg. 544
 Vol. 2968, Pg. 1902
 Vol. 3870, Pg. 1242
 Vol. 3977, Pg. 1107

- LEGEND**
- Concrete Monument Found
 - ▲ 60d Nail Found
 - Square Head Galvanized Steel Bolt or No. 4 Rebar Set
 - △ 60d Nail Set
 - + Cross Cut in Concrete

Marvin Shelton

EXHIBIT "B"

 Area of Lease Agreement (Bearing Basis 2-G-968)

REAL PROPERTY RECORDS
 BRAUN COUNTY, TEXAS



10812 0309

102

THE STATE OF TEXAS §

COUNTY OF TRAVIS §

I, Betty G. Brown, Deputy City Clerk of the City of Austin, Texas, do hereby certify that the foregoing instrument is a true and correct copy of a Resolution consisting 7 page(s) adopted by the City Council of the City of Austin, Texas, at a regular meeting on the 21st day of July , 19 88 , and appears of record in Minute Book 64 of the minutes of said City Council.

Betty G. Brown

Betty G. Brown
Deputy City Clerk, City of Austin, Texas

(COURT SEAL)

FILED

1988 NOV -7 AM 11: 44

DANA DE BEAUVOIR
COUNTY CLERK
TRAVIS COUNTY, TEXAS

STATE OF TEXAS COUNTY OF TRAVIS
I hereby certify that this instrument was FILED on
the date and at the time stamped hereon by me; and
was duly RECORDED, in the Volume and Page of the
named RECORDS of Travis County, Texas, on

NOV 7 1988



Dana De Beauvoir
COUNTY CLERK
TRAVIS COUNTY, TEXAS

After recording return to:

Real Estate Division
Transportation and Public Services
Department
City of Austin
P.O. Box 1088
Austin, Texas 78767

Attention: Joe Morahan

REAL PROPERTY RECORDS
TRAVIS COUNTY, TEXAS

10812 0311

FILM CODE
00005530472

33
089

LICENSE AGREEMENT

The City of Austin, a home-rule city, municipal corporation, and political subdivision of the State of Texas situated in Travis County, Texas ("the City"), and Healthsouth Rehabilitation Hospital (the "Licensee"), enter into this License Agreement ("Agreement") on this the 7th day of January, 1997, upon the terms and conditions set forth below.

I. PURPOSE OF LICENSE AGREEMENT

The City grants to Licensee permission to use the licensed property for the following purposes only:

Installation and maintenance of an oxygen line from the Hospital to the tanks located at 1215 Red River Street, as shown in Exhibit "A".

The above-described property, hereinafter referred to as the "licensed property", is further described in Exhibit "A" attached to this Agreement and incorporated by reference for all purposes.

The City makes this grant solely to the extent of its right, title and interest in the licensed property, without any express or implied warranties.

Licensee agrees that all construction, installation and maintenance permitted by this Agreement shall be done in compliance with all applicable City, County, State and/or Federal laws, ordinances, regulations and policies now existing or later adopted.

Any provision herein to the contrary notwithstanding, Licensee shall be liable for, and shall indemnify and hold the City harmless from all damages, causes of action, and claims arising out of or in connection with Licensee's installation, operation, maintenance or removal of the improvements permitted under this Agreement.

II. ANNUAL FEE

Licensee agrees to pay a fee of TWO HUNDRED and No/100 Dollars (\$200.00) annually, on or before the execution date of this Agreement and on or before each anniversary date thereafter. Each past due payment shall bear interest at the rate of nine percent (9%) per annum until fully paid or legally discharged and then the annual fee shall remain the same for a period of two (2) years from the effective date of this Agreement and is subject to changes by the City after each two-year period this Agreement remains in effect. In no event, however, shall the annual fee be increased by more than fifty percent (50%) in the year the change is made, unless a greater amount is certified in writing in a fair market rental of said area licensed hereunder by an independent appraiser, selected and compensated by the City.

III. THE CITY'S RIGHTS TO LICENSED PROPERTY

This Agreement is expressly subject and subordinate to the present and future right of the City, its successors, assigns, lessees, grantees, and licensees, to construct, install, establish, maintain, use, operate, and renew any public utilities facilities, franchised public utilities, rights-of-way, roadways, or streets on, beneath, or above the surface of the licensed property described in Paragraph I.

Said uses of the licensed property by the City are permitted, provided that they do not

REAL PROPERTY RECORDS
TRAVIS COUNTY, TEXAS

12849 0394

substantially interfere with or destroy Licensee's use of the licensed property, or any property or improvements placed thereon or therein by Licensee. In case of an officially declared emergency, however, damage to or destruction of Licensee's property shall be at no charge, cost, claim, or liability to the City, its agents, contractors, officers, or employees.

Nothing in this Agreement shall be construed to limit, in any way, the power of the City to widen, alter, or improve the licensed property subject to this Agreement pursuant to official action by the governing body of the City, or its successors.

Notwithstanding any provision in this Agreement to the contrary, the City retains the right to enter upon the licensed property, at any time and without notice, assuming no obligation to Licensee, to remove any of the licensed improvements or alterations thereof whenever such removal is deemed necessary for: (a) exercising the City's rights or duties with respect to the licensed property; (b) protecting persons or property; or (c) the public health or safety with respect to the licensed property.

IV. INSURANCE

Licensee shall, at its sole expense, provide a commercial general liability insurance policy, written by a company acceptable to the City and licensed to do business in Texas, with a combined single limit of not less than \$600,000 which coverage may be provided in the form of a rider and/or endorsement to a previously existing insurance policy. Such insurance coverage shall specifically name the City of Austin as co-insured. This insurance coverage shall cover all perils arising from the activities of Licensee, its officers, employees, agents, or contractors, relative to this Agreement. Licensee shall be responsible for any deductibles stated in the policy. A true copy of each instrument effecting such coverage shall be delivered to the City's Director of Public Works and Transportation within thirty (30) days prior to the effective date of this Agreement.

Licensee shall not cause any insurance to be canceled nor permit any insurance to lapse. All insurance certificates shall include a clause to the effect that the policy shall not be canceled, reduced, restricted or otherwise limited until forty-five (45) days after the City has received written notice as evidenced by a return receipt of registered or certified mail.

V. INDEMNIFICATION

Licensee shall indemnify, defend, and hold harmless the City and its officers, agents and employees against all claims, suits, demands, judgments, expenses, including attorney's fees, or other liability for personal injury, death, or damage to any person or property which arises from or is in any manner caused by the Licensee's construction, maintenance or use of the licensed property. This indemnification provision, however shall not apply to any claims, suits, damage, costs, losses, or expenses (i) for which the City shall have been compensated by insurance provided under Paragraph IV, above, or (ii) arising solely from the negligent or willful acts of the City; provided that for the purposes of the foregoing, the City's act of entering into this Agreement shall not be deemed to be a "negligent or willful act."

VI. CONDITIONS

A. Licensee's Responsibilities. Licensee will be responsible for any damage to or relocation of existing facilities. Further, Licensee shall reimburse the City for all costs of replacing

2
REAL PROPERTY RECORDS
TRAVIS COUNTY, TEXAS

12849 0395

or repairing any property of the City or of others which was damaged or destroyed as a result of activities under this Agreement by, or on behalf of, Licensee.

B. Maintenance. Licensee shall maintain the licensed property by keeping the area free of debris and litter. Removal of dead or dying plants shall also be handled by Licensee at its expense, as required by the City; such removal shall be completed within thirty (30) days following receipt of a written request by the City to do so.

C. Removal or Modification. Licensee agrees that removal or modification of any improvements now existing or to be later replaced shall be at Licensee's expense. Said removal or modification shall be at Licensee's sole discretion, except where otherwise provided by this Agreement. However, complete removal of all such improvements must be preceded by at least thirty (30) days written notice to any adjoining land owners. This Agreement, until its expiration or revocation shall run as a covenant on the land adjoining the above-described real property, and the terms and conditions of this Agreement shall be binding on any subsequent owners or holders of the property. Licensee shall cause any immediate successors-in-interest to have actual notice of this Agreement.

D. Default. In the event that Licensee fails to maintain the licensed property or otherwise comply with the terms or conditions as set forth herein, then the City shall give Licensee written notice thereof, by registered or certified mail, return receipt requested, to the address set forth below. Licensee shall have thirty (30) days from the date of receipt of such notice to take action to remedy the failure complained of, and, if Licensee does not satisfactorily remedy the same within the thirty (30) day period, the City may perform the work or contract for the completion of the work. Licensee agrees to pay, within thirty (30) days of written demand by the City, all reasonable costs and expenses incurred by the City in completing the work.

In addition to any other remedies afforded to the City herein or by law, Licensee's continuing default will result in a lien being placed on Licensee's property on or adjacent to the licensed property in favor of, and enforceable by, the City in a court of law.

VII. COMMENCEMENT; TERMINATION BY ABANDONMENT

This Agreement shall begin with the effective date and continue thereafter for so long as the licensed property shall be used for the purposes set forth herein. If Licensee abandons the use of all or any part of the licensed property for such purposes set forth in this Agreement, then this Agreement, as to such portion or portions abandoned, shall expire and terminate following thirty (30) days written notice to the Licensee if such abandonment has not been remedied by Licensee within such period; the City shall thereafter have the same complete title to the licensed property so abandoned as though this Agreement had never been made and shall have the right to enter on the licensed property and terminate the rights of Licensee, its successors and assigns hereunder. All installations of Licensee not removed shall be deemed property of the City as of the time abandoned.

VIII. TERMINATION

A. Termination by Licensee. This Agreement may be terminated by Licensee by delivering written notice of termination to the City not later than thirty (30) days before the effective date of termination. If Licensee so terminates, then it shall remove installations that it made from

the licensed property within the thirty day notice period at its sole cost and expense. Failure to do so shall constitute a breach of this Agreement.

B. Termination by City. This Agreement may be revoked at any time by resolution of the City Council if such revocation is reasonably required by the public interest, after providing written notice to the Licensee.

Subject to prior written notification to Licensee or its successors-in-interest, this Agreement is revocable by the City if:

- 1. The licensed improvements, or a portion of them, interfere with the City's right-of way;*
- 2. Use of the right-of-way area becomes necessary for a public purpose;*
- 3. The licensed improvements, or a portion of them, constitute a danger to the public which the City deems not to be remediable by alteration or maintenance of such improvements;*
- 4. Despite thirty (30) days written notice to Licensee, maintenance or alteration necessary to alleviate a danger to the public has not been made; or*
- 5. Licensee fails to comply with the terms and conditions of this Agreement including, but not limited to any insurance or license fee requirements specified herein.*

If Licensee abandons or fails to maintain the licensed property, and the City receives no substantive response within thirty (30) days following written notification to Licensee, then the City may remove and/or replace all licensed improvements and collect from Licensee the City's actual expenses incurred in connection therewith.

IX. EMINENT DOMAIN

If eminent domain is exerted on the licensed property by paramount authority, then the City will, to the extent permitted by law, cooperate with Licensee to effect the removal of Licensee's affected installations and improvements thereon, at Licensee's sole expense. Licensee shall be entitled to retain all monies paid by the condemning authority for Licensee's installations taken, if any.

X. INTERPRETATION

Although drawn by the City, this Agreement shall, in the event of any dispute over its meaning or application, be interpreted fairly and reasonably, and neither more strongly for or against either party.

XI. APPLICATION OF LAW

This Agreement shall be governed by the laws of the State of Texas. If the final judgment of a court of competent jurisdiction invalidates any part of this Agreement, then the remaining parts shall be enforced, to the extent possible, consistent with the intent of the parties as evidenced by this Agreement.

XII. VENUE

Venue for all lawsuits concerning this Agreement will be in the City of Austin, Travis County, Texas.

XIII. COVENANT RUNNING WITH LAND; WAIVER OF DEFAULT

This Agreement and all of the covenants herein shall run with the land; therefore, the conditions set forth herein shall inure to and bind each party's successors and assigns. Either party may waive any default of the other at any time, without affecting or impairing any right arising from any subsequent or other default.

XIV. ASSIGNMENT

Licensee shall not assign, sublet or transfer its interest in this Agreement without the written consent of the City, which consent shall not be unreasonably withheld. Subject to the assignee's compliance with the insurance and letter of credit requirements set forth herein, if any, Licensee shall furnish to the City a copy of any such assignment or transfer of any of Licensee's rights in this Agreement, including the name, date, address, and contact person.

TERMS AND CONDITIONS ACCEPTED, this the 7th day of January, 1997.

APPROVED AS TO FORM:

CITY OF AUSTIN

*P.O. Box 1088
Austin, Texas 78767-8828
(512) 499-2268*

Patrick G. Rehmet
Patrick G. Rehmet
Assistant City Attorney

By: *Joseph M. Moran*
Joseph Moran, Manager
Real Estate Services Division
Dept. of Public Works and
Transportation

LICENSEE:

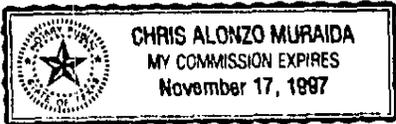
*Healthsouth Rehabilitation Hospital
1215 Red River
Austin, Texas 78701*

By: *William O. Mitchell Jr.*
Name: *William O. Mitchell Jr.*
Title: *Chief Executive Officer*

THE STATE OF TEXAS §
 §
COUNTY OF TRAVIS §

This instrument was acknowledged before me on this the 7th day of January, 1997, by Joseph Morahan, Manager, Department of Public Works and Transportation of the City of Austin, a municipal corporation, on behalf of said corporation.

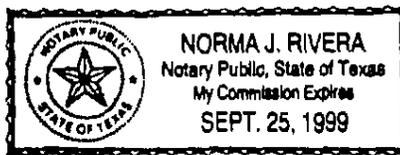
Chris Alonzo-Muraida
Notary Public, State of Texas



THE STATE OF TEXAS §
 §
COUNTY OF TRAVIS §

W This instrument was acknowledged before me on this the 6th day of January, 1997, by Paul Mitchell, CEO of HealthSouth Rehabilitation Hospital, a for profit corporation, on behalf of said corporation.

Norma J. Rivera
Notary Public, State of Texas



pgr/ea
File No. 49-16-9611
a:\licsne\hospitl.lic

FILED

97 JAN -9 AM 10:17

**DAN DEBEAUVOIR
COUNTY CLERK
TRAVIS COUNTY, TEXAS**

AFTER RECORDING RETURN TO:

*City of Austin
Dept. of Public Works and Transportation
Real Estate Services Division
P.O. Box 1088
Austin, TX 78767-8839
Attn: Mary Reza*

RECORDER'S MEMORANDUM-At the time of recordation this instrument was found to be inadequate for the best photographic reproduction, because of illegibility, carbon or photo copy, discolored paper, etc. All blockouts, additions and changes were present at the time the instrument was filed and recorded.

STATE OF TEXAS
I hereby certify that this instrument was **FILED** on the date and at the time stamped herein by me and was duly **RECORDED** in the Volume and Page of the **INDEXED RECORDS** of Travis County, Texas, on

COUNTY OF TRAVIS

JAN 9 1997



[Signature]
**COUNTY CLERK
TRAVIS COUNTY, TEXAS**

**REAL PROPERTY RECORDS
TRAVIS COUNTY, TEXAS**

12849 0401

INSTRUMENT NO: 12849-0401 COUNTY: TRAVIS DEPT: REGULAR RECORD \$20.00
OPERATOR: MATHI FILE DATE: 1/9/97 TRANS DATE: 1/9/97
PAGE NO: 0401-4 OF

THE STATE OF TEXAS

KNOW ALL MEN BY THESE PRESENTS:

COUNTY OF TRAVIS

DEC 13-76~~85~~ 8552 * 1.50

1-43-1508

1.50

THAT WHEREAS, CHESTER C. BURATTI and FELICIA BURATTI PECORA, hereafter known as Grantor, is the owner of Lot 3, Blk. 143, Original City, in the City of Austin, Travis County, Texas, being locally known as 614 E. 12th Street; and,

WHEREAS, the Grantor desires to construct a concrete driveway on said property, hereafter known as concrete work, and in the sidewalk area abutting same at a grade which is other than the standard fixed by specifications required by the City of Austin Engineering Department and the grade for such construction work proposed by Grantor is not in accordance with the grade recommended by the Director of Engineering;

NOW, THEREFORE, Grantor, in consideration of the fact that the City of Austin has agreed to permit it to construct such concrete work on a grade other than the regular standard grade adjacent to its property does hereby release, acquit and indemnify the City of Austin from any and all damages that may result from said construction and the Grantor hereby binds itself, its successors and assigns to reconstruct or remove said concrete work upon demand of the City Council of the City of Austin, and will not require or request the City of Austin to assume any portion of the expense of reconstruction or removal of said concrete work.

WITNESS the execution hereof, this 25TH day of OCTOBER, 1976.

Chester C. Buratti

Chester C. Buratti

Felicia Buratti Pecora

Felicia Buratti Pecora

THE STATE OF TEXAS

BEFORE ME, the undersigned authority on this day

COUNTY OF TRAVIS

personally appeared CHESTER C. BURATTI and FELICIA BURATTI PECORA, known to me to be the persons whose names are subscribed to the foregoing instrument, and acknowledged to me that they executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the 25th day of OCTOBER, 1976.

Oct. ~~25~~ 1976

(r) bah

Ernest J. Nardecchia

Notary Public in and for Travis County, Texas

NOTARY SEAL

FILED

DEC 13 8 01 AM 1976

Carie Stappeler

TRAVIS COUNTY, TEXAS

1-43-1507

STATE OF TEXAS

COUNTY OF TRAVIS

I hereby certify that this instrument was FILED on the date and at the time stamped hereon by me; and was duly RECORDED, in the Volume and Page of the named RECORDS of Travis County, Texas, as Stamped hereon by me, on

DEC 18 1976



Carie Stappeler

COUNTY CLERK
TRAVIS COUNTY, TEXAS

5651 928

13
P/W

FILM CODE
00005637502

NOTICE CONCERNING CONSTRUCTION OF SUBDIVISION IMPROVEMENTS

TO: ALL PURCHASERS OF LOTS in the Resubdivision of Lot 3 and a portion of Lot 2, Block 143 Original City of Austin Travis County, Texas (C8-97-0129.0A), a subdivision created by plat recorded in Plat Book 100, Page 9-10, of the Plat Records of Travis County, Texas (the "Subdivision").

FROM: C. Drew Demarary, Vice President Healthsouth of Austin Inc., the owner(s) of the Subdivision [the "Subdivider(s)"]

and

David Wahlgren
Senior Planner
Development Review and Inspection Department

THIS NOTICE IS TO ADVISE YOU OF POTENTIAL LIMITATIONS ON YOUR USE OR DEVELOPMENT OF A LOT IN THIS SUBDIVISION

NOTICE: Pursuant to ordinances and policies adopted by the City of Austin (the "City"), the Subdivider(s) are required to build all subdivision improvements necessary to serve the lots in the Subdivision. These improvements **may** include without limitation all streets, alleys, curbs, stormwater sewers, other drainage and water quality protection facilities, water and wastewater lines, fire hydrants, sidewalks, or other improvements shown on the plat of the Subdivision, as well as other subdivision improvements required by applicable law (the "subdivision infrastructure").

City approval of the Subdivision is no guarantee the Subdivider(s) can or will build the subdivision infrastructure. The City has not obtained a performance bond, letter of credit, or any other form of security to secure the performance of the Subdivider(s)' obligation to build subdivision infrastructure.

The City is not required to assume the Subdivider(s)' obligations if the Subdivider(s) do not build the subdivision infrastructure, nor is the City obligated to complete or maintain partially constructed or substandard subdivision infrastructure.

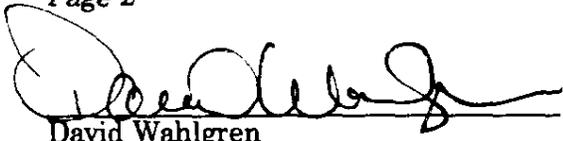
Failure to complete the subdivision infrastructure may affect your power to develop or use a lot in the Subdivision. The completion of subdivision infrastructure (and acceptance of subdivision improvements for public use and maintenance) is required before certain City permits necessary to develop or occupy lots in the Subdivision may be issued. If the subdivision infrastructure is not constructed according to City standards and specifications and accepted for public use, the City may deny applications for certain development permits (including without limitation building permits, site plan approvals, or certificates of occupancy).

REAL PROPERTY RECORDS
TRAVIS COUNTY, TEXAS

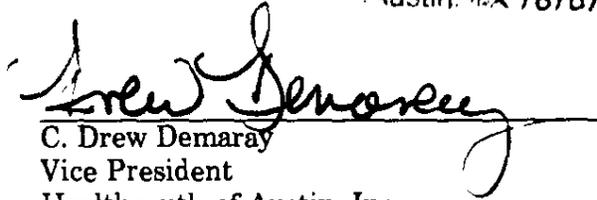
13038 0080

Ret: City of Austin
Development Review &
Inspection Department
P.O. Box 1088
Austin, TX 78767

Notice Concerning Construction of Subdivision Improvements
Page 2



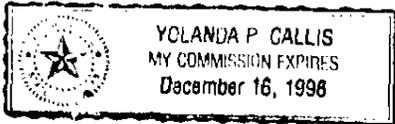
David Wahlgren
Senior Planner
Development Review and Inspection Dept.
City of Austin



C. Drew Demaray
Vice President
Healthsouth of Austin, Inc.
Two Perimeter South, Suite 224 West
Birmingham, Alabama 35243

THE STATE OF TEXAS :
COUNTY OF TRAVIS :

This instrument was acknowledged before me on this the 4th day of October,
1997 by David Wahlgren of the City of Austin Development Review and Inspection
Department.

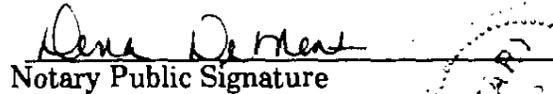
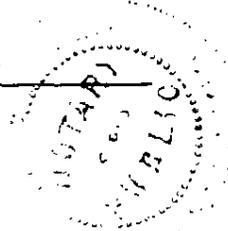

Notary Public Signature

Type or Print Notary Name

My commission Expires:

THE STATE OF ALABAMA :
COUNTY OF JEFFERSON :

This instrument was acknowledged before me on this the 24th day of September,
1997 by C. Drew Demaray.


Notary Public Signature

Dena Dement
Type or Print Notary Name

My commission Expires:

8/30/99

REAL PROPERTY RECORDS
TRAVIS COUNTY, TEXAS

13038 0081

FILED

97 OCT 10 AM 10:59

**DANA L. LAUBVOIR
COUNTY CLERK
TRAVIS COUNTY, TEXAS**

STATE OF TEXAS **COUNTY OF TRAVIS**
I hereby certify that this instrument was **FILED** on
the date and at the time stamped hereon by me; and
was duly **RECORDED**, in the Volume and Page of the
named **RECORDS** of Travis County, Texas, on

OCT 10 1997



Dana L. Laubvoir
**COUNTY CLERK
TRAVIS COUNTY, TEXAS**

**REAL PROPERTY RECORDS
TRAVIS COUNTY, TEXAS**

13038 0082

REGISTER: BOONSTREET TRAVIS: SEPT. DEPT: SECULAR RECORDS \$13.00
CLERK: 10750 FILE DATE: 10/10/97 TRAVIS DATE: 10/10/97
PAID BY: CHECK #884

EXHIBIT 3

HEALTHSOUTH BUILDING PLANS

Included as a separate Attachment

EXHIBIT 4

HEALTHSOUTH GARAGE PLANS

Included as a separate Attachment

EXHIBIT 5

City of Austin Ordinance 20161215-019 amending Office of Real Estate Services' Capital Budget

ORDINANCE NO. 20161215-019

AN ORDINANCE AMENDING THE FISCAL YEAR 2016-2017 OFFICE OF REAL ESTATE SERVICES DEPARTMENT CAPITAL BUDGET (ORDINANCE NO. 20160914-002) TO INCREASE APPROPRIATIONS FOR HEALTH SOUTH FACILITIES.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF AUSTIN:

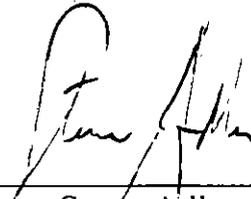
PART 1. Council amends the Fiscal Year 2016-2017 Office of Real Estate Services Department Capital Budget (Ordinance No, 20160914-002) to increase appropriations by \$6,500,000 for Health South facilities.

PART 2. This ordinance takes effect on December 26, 2016.

PASSED AND APPROVED

December 15, 2016

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§
§



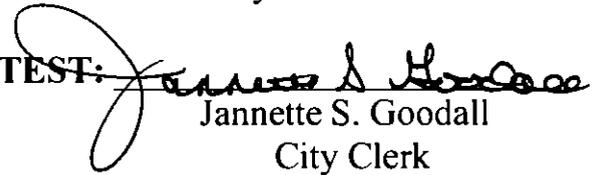
Steve Adler
Mayor

APPROVED:



Anne L. Morgan
City Attorney

ATTEST:



Jannette S. Goodall
City Clerk

EXHIBIT 6

Austin City Council Resolution 20161215-020 declaring Council's intent to reimburse itself

RESOLUTION NO. 20161215-020

WHEREAS, the City of Austin (Issuer) is a home rule city authorized to issue obligations to finance its activities, the interest on which is excludable from gross income for federal income tax purposes (tax-exempt obligations) pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the Code); and

WHEREAS, the Issuer intends to make on or after this date, or has made not more than 60 days before this date, approximately \$6,500,000 in capital expenditures related to projects to be funded by Certificates of Obligation as follows, purchase of the facilities, including an adjacent parking garage to be used for City purposes such as additional office space; and

WHEREAS, the Issuer intends to expend available moneys for these expenditures; and

WHEREAS, the Issuer has concluded that it does not currently desire to issue tax-exempt obligations to finance these expenditures; and

WHEREAS, the Issuer finds, considers and declares that the reimbursement of the payment by the Issuer of these capital expenditures will be appropriate and consistent with the lawful objectives of the Issuer and chooses to declare its intention, in accordance with the provisions of Section 1.150-2 of the U.S. Treasury Regulations (Regulations), to reimburse itself for such payments at such time as it issues tax-exempt obligations; and

WHEREAS, the Issuer reasonably expects to issue tax-exempt obligations to reimburse itself for capital expenditures made as described above; **NOW, THEREFORE,**

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

The Issuer reasonably expects to reimburse itself for capital expenditures with respect to the Certificates of Obligation paid with funds on hand from the proceeds of the sale of tax exempt obligations to be issued, and this resolution shall constitute a declaration of official intent under the Regulations. The maximum principal amount of the tax exempt obligations expected to be issued for the \$6,500,000.

ADOPTED: December 15, 2016

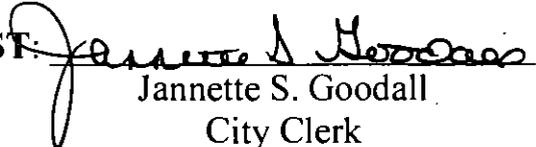
ATTEST: 
Jannette S. Goodall
City Clerk

EXHIBIT 7

Request for Council Action 20161215-038 authorizing the acquisition of HealthSouth of Austin, Inc. leasehold interest with additional information.

- A. Request for Council Action
- B. Site photos 1
- C. Site photos 2
- D. Aerial Map

AGENDA



Recommendation for Council Action (Real Estate)

Austin City Council	Item ID:	65663	Agenda Number	38.
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Meeting Date:	December 15, 2016
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Department:	Office of Real Estate Services
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Subject

Authorize the negotiation and execution of all documents and instruments necessary or desirable to acquire from HEALTHSOUTH OF AUSTIN, INC. its interest as tenant of approximately 1.382 acres of land at 1215 Red River Street, including rights to improvements, and title to approximately 0.349 acre of land and improvements located at 606 East 12th Street, for an amount not to exceed \$6,500,000. (District 1) (Related to Items 19 and 20)

Amount and Source of Funding

Funding in the amount of \$6,500,000 is available in the Fiscal Year 2016-2017 Capital Budget of the Office of Real Estate Services.

Fiscal Note

A fiscal note is attached.

Purchasing Language:	
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Prior Council Action:	June 23, 1988 - Council approved the execution of a fifteen-year land lease, plus twelve five-year extension options, with Rehab Hospital Services Corporation for the property at 1215 Red River. August 5, 2004 - Council amended and terminated the Brackenridge Urban Renewal Plan effective January 1, 2005, thereby removing the restrictive covenants on the property.
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For More Information:	Lauraine Rizer, Office of Real Estate Services, (512) 974-7078; Megan Herron, Office of Real Estate Services, (512) 974-5649.
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Boards and Commission Action:	
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MBE / WBE:	
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Related Items:	
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Additional Backup Information

A subsidiary of HealthSouth Rehabilitation Corporation, HealthSouth of Austin, Inc. (HealthSouth) has offered to sell the City of Austin (City) its interest as tenant of a 87,744 SF hospital facility at 1215 Red River where the City is the landlord and owner of the underlying property and its 62-space parking garage at 606 East 12th Street owned in fee simple by HealthSouth for \$6,500,000. The building is adaptable to a number of uses and the land is highly attractive in the market. Acquiring the property will allow the City to repurpose or redevelop the combined site and shape the future development of the Northeast District of Downtown. The Office of Real Estate Services (ORES) recommends acquisition of the property at the negotiated price.

Background

The City owns 1.382 acres at 1215 Red River, just south of Brackenridge Hospital. In 1988, Brackenridge Hospital did not provide physical rehabilitative services at its facility, so the City offered the land for development in order to attract a physical rehabilitative services provider to Austin. Rehab Hospital Services Corporation (RHSC) subsequently executed a lease through February 28, 2064, and constructed an 87,744 SF hospital facility on the site in order to provide these necessary services adjacent to Brackenridge Hospital. In 1995, RHSC assigned the lease to HealthSouth, who proceeded to develop an adjacent 0.349-acre property it owned at 606 East 12th Street into a 62-space parking garage to serve the facility.

The business model for providing physical rehabilitative services is changing, and the development of Dell Seton Medical Center at the University of Texas and the pending move of Brackenridge Hospital have rendered HealthSouth’s facility unnecessary. Accordingly, in August 2016, HealthSouth announced its intention to close its facility at the site and approached the City about terminating the lease. The company wishes to convey to the City its facilities on the site and the parking garage. ORES has negotiated a purchase price of \$6,500,000, subject to City Council approval.

Appraised Value

ORES engaged an independent appraiser to value the property. The appraiser determined that the value of the hospital facility, the garage, and the underlying land would equal \$36.36 million on the open market. Of note, the appraiser calculated that the City-owned land beneath the hospital would be worth \$12.04 million if it were unencumbered, but its current value is only \$5.12 million due to the presence of the HealthSouth lease. By acquiring the facilities and buying HealthSouth out of its lease, the City could remove the encumbrance on the property and increase the value of the underlying land. The appraised value of the property is broken out as follows:

Current Value		Market Value	
Land (encumbered)	\$ 5,120,000	Land (unencumbered)	\$ 12,040,000
Hospital Facilities & Lease Rights	\$ 24,690,000	Hospital Facilities	\$ 20,960,000
Garage	\$ 3,360,000	Garage	\$ 3,360,000
Total	\$ 33,170,000	Total	\$ 36,360,000

Accordingly, for the \$6.5 million negotiated purchase price, the City would acquire the \$20.96 million building and the \$3.36 million garage, *as well as* increase the value of the City-owned land by \$6.92 million.

SUBJECT PHOTOGRAPHS



Subject's Red River position on the south side of University Medical Center Brackenridge

Date of Photo: 8/18/2016



Access to hospital and parking garage from Red River

Date of Photo: 8/18/2016



Facing north; subject on the right

Date of Photo: 8/18/2016



Facing south; access from Red River

Date of Photo: 8/18/2016



East elevation of hospital

Date of Photo: 8/18/2016



South elevation and main entrance

Date of Photo: 8/18/2016



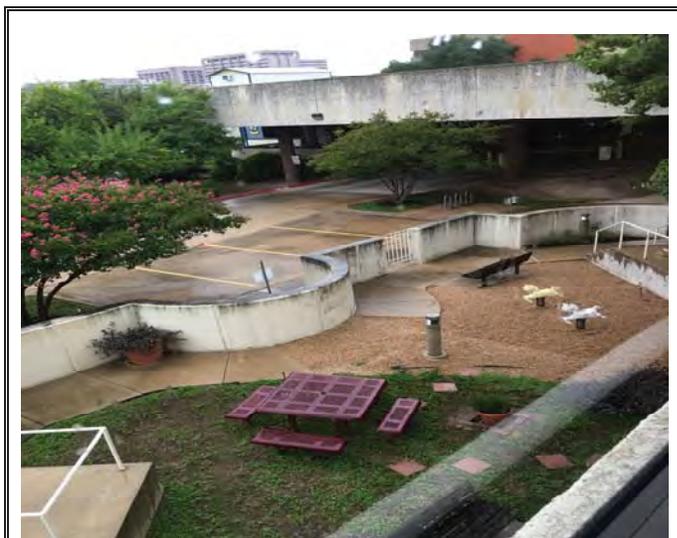
North elevation of hospital and elevated walkway to Brackenridge Hospital

Date of Photo: 8/18/2016



Lobby associated with main entrance to the building

Date of Photo: 8/18/2016



Garden/courtyard on west side of the building

Date of Photo: 8/18/2016



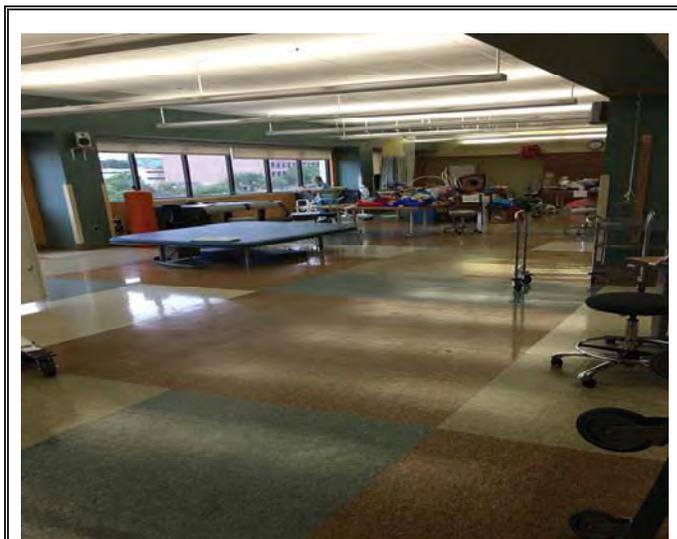
Hospital's roof

Date of Photo: 8/18/2016



Typical hallway

Date of Photo: 8/18/2016



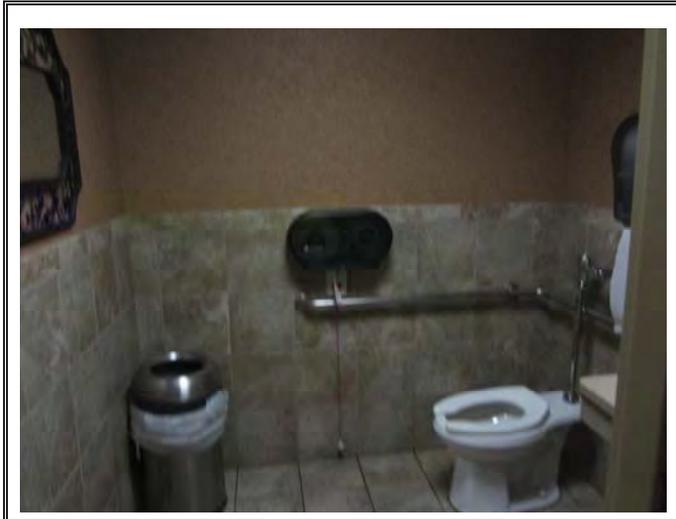
Therapy room

Date of Photo: 8/18/2016



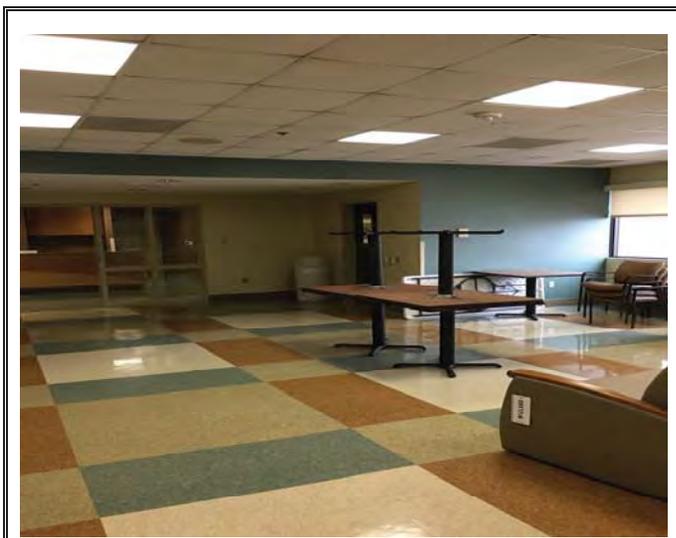
Typical patient room

Date of Photo: 8/18/2016



Public restroom

Date of Photo: 8/18/2016



Typical patient dining room

Date of Photo: 8/18/2016



Typical passenger elevators

Date of Photo: 8/18/2016



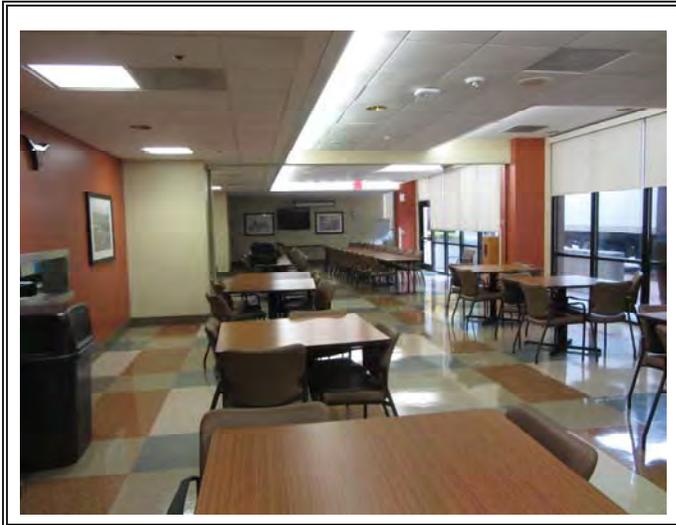
Nurse station

Date of Photo: 8/18/2016



Commercial kitchen

Date of Photo: 8/18/2016



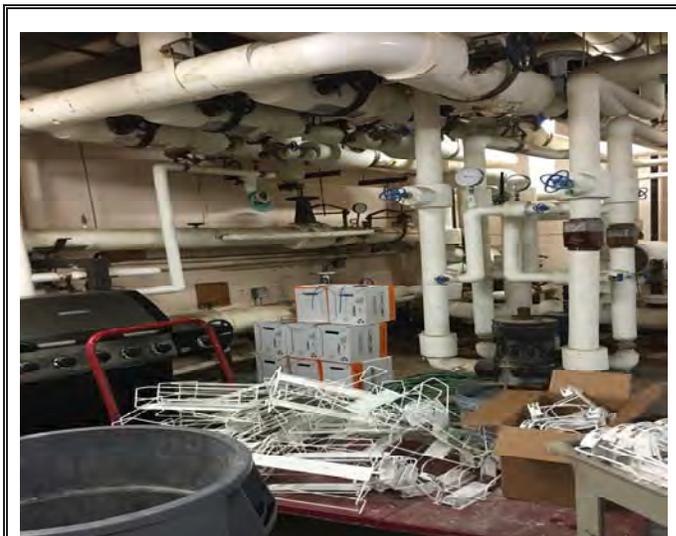
First floor dining room

Date of Photo: 8/18/2016



Therapy pool

Date of Photo: 8/18/2016



Mechanical room

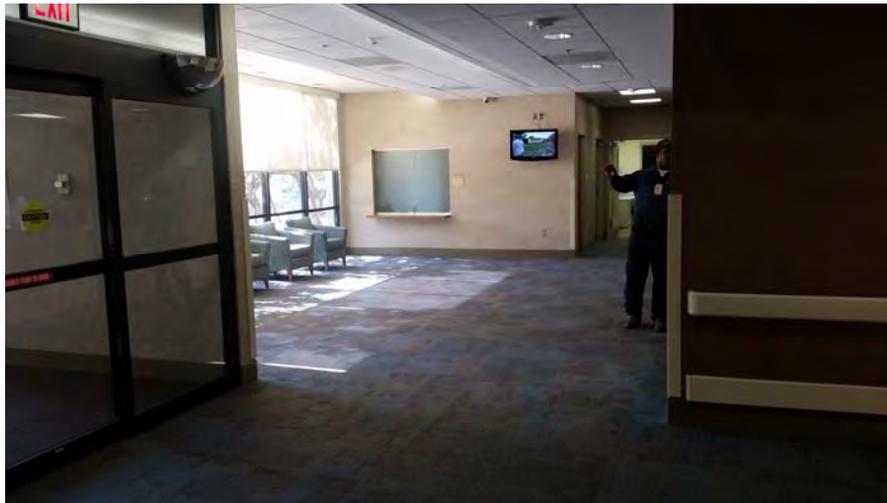
Date of Photo: 8/18/2016



Exterior as viewed from parking garage.



Drop-off area and access to parking garage.



Main lobby.



Passenger elevators.



Serving line of main dining area on 1st floor.



Commercial kitchen on 1st floor.



Reception area on each floor.



Physical rehabilitation space on each floor.



Kitchen area on each floor.



Dining area on each floor.



4th floor suite with reception, offices, and exam rooms.



Typical patient room (44 total).



4th floor office suite with reception area.



West-facing offices view Capitol.



Large office space on 4th floor.



Collaborative office space on each floor.



Backup generator replaced in 2015.



Outdoor garden and playground.



Lower level of 62-spot parking garage.



Upper level of parking garage, with 12th St. access.

Proposed Acquisition at HealthSouth Property at Red River St & E 12th St

 Property of Interest
2015 Aerial Imagery, City of Austin

City of Austin
Real Estate Services



0 250 500 Feet

This product is for informational purposes and may not have been prepared for or be suitable for legal, engineering, or surveying purposes. It does not represent an on-the-ground survey and represents only the approximate relative location of property boundaries.

This product has been produced by the Office of Real Estate Services for the sole purpose of geographic reference. No warranty is made by the City of Austin regarding specific accuracy or completeness.

Produced by CBoas, 9/21/2016



EXHIBIT 8

Austin City Council Resolution 20170323-052 directing City Manager to evaluate potential of former HealthSouth site to provide affordable housing

RESOLUTION NO. 20170323-052

WHEREAS, the City Council authorized the acquisition of HealthSouth's interest as tenant at 1215 Red River and the purchase of HealthSouth's property at 606 East 12TH Street on December 15, 2016, and the City of Austin closed this transaction on February 28, 2017; and

WHEREAS, the property was used by HealthSouth as a rehabilitation hospital until November 2016; and

WHEREAS, HealthSouth had three floors of patient rooms and individual restrooms, office space, a large commercial kitchen on the first floor and smaller kitchens and laundry facilities on the second and third floors; and

WHEREAS, the property is well-located Downtown, close to existing jobs and within the expanded medical complex developing around the Dell Medical School, Central Health, and Seton Hospital; and

WHEREAS, a substantial number of jobs affiliated with the medical complex can be anticipated in custodial services, food preparation, and other lower-wage employment opportunities; and

WHEREAS, very few housing options in Downtown are priced at a level that would be affordable to such workers; and

WHEREAS, Imagine Austin and other planning documents speak to the need to locate housing closer to jobs so that more Austinite's can live closer to where they work; and

WHEREAS, the City of Austin's draft Strategic Housing Plan identifies a need for more than 48,000 units serving individuals with a median family income of \$25,000 or less (30% MFI); and

WHEREAS, multiple City plans have called for utilizing public land for affordable housing; and

WHEREAS, the configuration and excellent condition of the HealthSouth building presents an unusual opportunity to consider innovative housing options; and

WHEREAS, the building might afford the opportunity to house individuals in the relative near future; and

WHEREAS, the building has space that could be used for amenities that benefit residents and the surrounding community, such as on-site childcare or afterschool programs; and

WHEREAS, the existing office space might also be of interest to nonprofit organizations operating within the Downtown area; and **NOW, THEREFORE**,

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

That the City Council directs the City Manager to do the following:

- Evaluate the HealthSouth building for its potential to provide affordable housing in the range of 60% median family income or below, as well as some market rate housing for individuals and families. The evaluation should consider options for:
 - maintaining the existing room configuration;
 - substantially reconfiguring the space; or
 - embarking on a mixture of the two approaches.

- Estimate the general costs of and minimum timetable for achieving these options and identify potential funding strategies for doing so.
- Identify potential private entities that could partner on developing the housing component.
- Provide general information about the square footage that could be rented to nonprofit or other organizations if the building is primarily reserved for housing.
- Recommend whether the City should consider renting out space in the near term, while also evaluating longer-term possibilities for HealthSouth.
- Sketch out some next steps and a potential timetable in the circumstance that Council chooses to move forward with a more detailed analysis and/or implementation of a concept that includes the elements described in this resolution.

BE IT FURTHER RESOLVED, that the City Manager is directed to present at least preliminary information to the Council by June 1, 2017.

ADOPTED: March 23, 2017

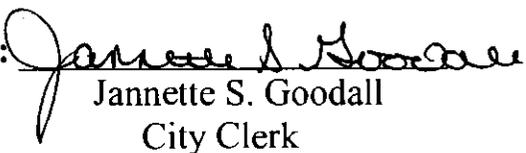
ATTEST: 
Jannette S. Goodall
City Clerk

EXHIBIT 9

Memorandum from Lauraine Rizer transmitting EPS memorandum
“Economic Analysis of HealthSouth Property Reuse as Housing,”
November 20, 2017



MEMORANDUM

TO: Mayor and Council

FROM:  Lauraine Rizer, Officer, Office of Real Estate Services

DATE: November 20, 2017

SUBJECT: Health South Property

The Health South building located at 1215 Red River street was purchased on February 28, 2017. City Council Resolution No.20170323-052 directed staff to evaluate the Health South building for its potential to provide affordable housing at 60% median family income or below for individuals as well as families.

Economic & Planning Systems, Inc. (EPS) was hired to evaluate options including costs and time frame for maintaining the existing room configuration, substantially reconfiguring the space or a mixture of both. Additionally, EPS looked at whether the City should consider lease/sale of the property. The number of residential units with reconfiguration is 54 at a cost of \$327,692 per unit or a total of \$17,696,365. The number of residential units without reconfiguration is 41 at a cost of \$344,066 per unit or a total of \$14,106,703. EPS found listings for 13 apartment properties at an average asking price of \$158,104 per unit. Austin Housing Finance Corporation provided EPS budgets for nine new construction projects at an average development cost of \$180,847 per unit.

EPS recommends that the City explore the sale or lease of the building as-is and coordinate with Central Health regarding the site's potential contribution to overall redevelopment of the adjacent University Medical Center Brackenridge campus.

Attached is a copy of the Economic & Planning Systems, Inc. (EPS) report for your review. Please feel free to contact me at 512-974-7078 if you have any questions.

cc: Elaine Hart, Interim City Manager
Sara Hensley, Interim Assistant City Manager
Greg Canally, Interim Chief Financial Officer
Eric Stockton, Building Services Officer

MEMORANDUM

To: Lauraine Rizer, City of Austin
From: Darin Smith
Date: August 21, 2017
Subject: Economic Analysis of HealthSouth Property Reuse as Housing; EPS #171066

Economic & Planning Systems (EPS) has been retained to assist the City of Austin in evaluating the feasibility of re-using the HealthSouth property. The City recently acquired the HealthSouth building, and City Council has expressed interest in exploring the potential reuse of the building for mixed-income housing or other uses. City Council Resolution No. 20170323-052 has directed staff to:

- Evaluate the HealthSouth building for its potential to provide affordable housing in the range of 60% median family income or below, as well as some market rate housing for individuals and families. The evaluation should consider options for:
 - maintaining the existing room configuration;
 - substantially reconfiguring the space; or
 - embarking on a mixture of the two approaches.
- Estimate the general costs and minimum timetable for achieving these options and identify potential funding strategies for doing so.
- Identify potential private entities that could partner on developing the housing component.
- Provide general information about the square footage that could be rented to nonprofit or other organizations if the building is primarily reserved for housing.
- Recommend whether the City should consider renting out space in the near term, while also evaluating longer-term possibilities for HealthSouth.
- Sketch out some next steps and a potential timetable in the circumstance that Council chooses to move forward with a more detailed analysis and/or implementation of a concept that includes the elements described in this resolution.

The Economics of Land Use



*Economic & Planning Systems, Inc.
One Kaiser Plaza, Suite 1410
Oakland, CA 94612
510 841 9190 tel
510 740 2080 fax*

*Oakland
Sacramento
Denver
Los Angeles*

www.epsys.com

Summary of Findings

In this document, EPS has addressed the general feasibility questions posed by the City Council Resolution. As described below, EPS has reached the following findings:

- 1. The HealthSouth building would be highly inefficient to reuse for housing without a major reconfiguration of both the interior and exterior of the building.** EPS estimates that the existing floorplans might allow the creation of 41 very small studios or micro-units in the existing patient rooms (averaging roughly 312 square feet), but these would utilize less than 20 percent of the potential floor area. A major reconfiguration of interior walls, new windows, and other features could yield more than double the amount of usable residential space and create an estimated 54 units of different sizes (averaging over 600 square feet) that are more appealing to tenants.
- 2. The costs to renovate the HealthSouth Building for housing are expected to be substantial, and are estimated to cost more per usable square foot without reconfiguration than with reconfiguration.** Based on a nearby case study exploring the potential reuse of a similar medical building for residential and office uses, EPS estimates that the cost to significantly reconfigure and renovate the HealthSouth building would be roughly \$18.9 million. Even without significant reconfiguration of interior and exterior walls, EPS projects that the costs of renovation for residential use would be at least \$8.0 million. Adding these costs to the property purchase price of \$6.5 million paid by the City, the total capital costs for building acquisition and renovation are estimated at \$14.5 million to \$25.4 million. The cost per usable square foot is estimated to be substantially higher without interior reconfiguration than with reconfiguration, because more than three times as much space is believed to be usable with major reconfiguration.
- 3. The value of residential units – whether at market rate or priced for households earning 60 percent of median family income – are expected to fall well below the costs of creating those units.** Based on the costs of acquisition, rehabilitation, and operations, EPS estimates that the rent required for feasibility without subsidy would exceed \$2,400 per month under either reconfiguration scenario. By contrast, market-rate rents are expected to be nearer \$1,300 per month for the units at 620 square feet (under the major reconfiguration scenario) and only \$858 for the 312-square-foot units without major reconfiguration. By City standards, a one-person household earning 60 percent of median family income in 2017 can pay \$798 per month for rent, which also falls well below the feasibility threshold without subsidy.
- 4. The inclusion of commercial space in the HealthSouth building may be a net detractor from the feasibility of its reuse.** City Council has inquired about the potential to offer some space to commercial tenants, especially non-profits. While this is physically possible, particularly on the first floor with some major reconfiguration, EPS estimates that the cost of providing such space would require significant subsidy, even if such tenants could pay full market-rate office rents. As such, the entire building's feasibility for reuse would only worsen with the commercial component, as the housing component and commercial component both require significant subsidy. An exception to this conclusion may result if the City were able to secure a medical-related tenant who could make use of the building mostly "as-is," thus avoiding costly renovation efforts.

5. **At least twice as many units likely could be provided elsewhere in Austin for the cost to subsidize housing in the HealthSouth building.** A review of recent new construction projects indicates that the average cost to develop a new affordable unit is roughly half of the amounts estimated for the HealthSouth building, and these new units typically serve households much larger than could be accommodated through renovation at HealthSouth. Similarly, recent projects to acquire and rehab existing apartment complexes have cost far less per unit than is estimated for HealthSouth, and current property listings indicate that numerous existing apartment properties could be acquired and designated as permanent affordable housing at roughly half the cost per unit as is projected for HealthSouth.

6. **The sale or lease of the HealthSouth buildings, or even the sale of the site for future development, are expected to yield much greater revenues that could be used for affordable housing or other City objectives.** The appraisals for the HealthSouth properties indicate that the City could realize roughly \$10 million to \$30 million in net revenues from the HealthSouth transaction by selling the building as-is, leasing the building to a specifically interested user group, or offering the site for future development. Based on recent City funding for affordable housing, and assuming the leveraging of other external funding sources as is typical of affordable housing projects, this level of revenue could be used to create roughly 500 to 1,500 affordable units throughout the City, compared to only about 54 that might be created within the building itself – assuming additional funding can be secured to subsidize those 54 units. Based on these comparisons, EPS does not believe that the reuse of the HealthSouth building for housing represents an efficient use of the City's resources. Rather, EPS recommends that the City explore the sale or leasing of the building as-is and/or coordination with Central Health regarding the site's potential contribution to and benefit from the overall redevelopment of the adjacent University Medical Center Brackenridge campus.

Pending discussion of these feasibility findings, EPS has not pursued the issues of potential partners for the building's reuse, nor identified potential funding sources for such reuse.

Approach to the Assignment

EPS has been asked to assess whether it is feasible to reuse the HealthSouth building for residential and possibly commercial office space. EPS is generally familiar with the HealthSouth property, and for this analysis, EPS has reviewed various documents provided by the City (appraisals, environmental studies, site plans, photographs, etc.) for the most expeditiously available and reliable information regarding the building's interior conditions. EPS is also familiar with the expected costs to renovate medical facilities for non-medical use, having participated in a study of a similar opportunity in the Austin area in the past three years. As described below, EPS has relied on information from that other study as indicative of the expected costs to renovate the HealthSouth building. EPS is also familiar with the City's affordable housing expectations and practices, having contributed to numerous City studies for subjects including density bonus programs, Homestead Preservation Districts, and negotiations with private and non-profit developers regarding affordable housing requirements and funding. Finally, EPS is familiar with market conditions in Downtown Austin, having conducted numerous studies for the City over the past 15 years regarding downtown development. EPS has refreshed this local market knowledge as appropriate with surveys of current rents as necessary for this study.

Despite this extensive familiarity with various aspects of this analysis, it remains a “planning level” assessment of the feasibility issues. EPS is not a structural engineering or architectural firm, and thus is reliant on our general knowledge of adaptive reuse issues, residential building design, and related factors for this assessment. If City Council wishes to explore this matter further, EPS recommends retaining more specialized firms who can provide engineering, design, and cost estimating expertise specific to this building.

This analysis further assumes that conversion of the existing medical facility to residential and/or general commercial use would be possible and relatively simple. EPS has not explored the implications of such conversion in terms of zoning or other use permits, and such issues would need to be addressed as part of any further consideration of this potential conversion.

General Property Overview

The HealthSouth building is located at 1215 Red River Street and offers 89,746 square feet of medical and office space on four floors.¹ In addition, the property includes a two-level parking structure offering 62 spaces, which fronts and is accessed by East 12th Street. The building being considered for reuse does not offer great accessibility or visibility from the City street grid, as it is tucked behind the parking structure within a multi-block campus area, but is near the Capitol Complex and the University of Texas main campus and new medical school and hospital, and is a few short blocks from Interstate 35.

The HealthSouth building is immediately south of the University Medical Center Brackenridge (UMCB) campus, a six-block area owned by Central Health and slated for redevelopment in future years. Though not yet entitled by the City of Austin, Central Health’s plans for UMCB involve soliciting and partnering with a Master Developer to develop a coordinated, mixed-use, multi-block, high density project similar in scale to the Green Water Treatment Plant project on Second Street. As such, the four-story HealthSouth building is much lower density than the development currently envisioned on adjacent parcels.

The Phase 1 Environmental Assessment Report prepared by Terracon in November 2016 did not indicate any significant issues with building conditions, systems, environmental contamination, or related factors. With this information being the most recent and complete available, and knowing that the building was in use until the recent past, EPS assumes that the reuse of the building would not face any major unexpected costs.

Figure 1 shows the existing floorplan of the first (ground) floor of the HealthSouth building. As shown, less than half of the exterior perimeter on this floor has windows (shown in blue). The bulk of this first floor was used for utility and storage areas, plus vertical access for stairs and elevators. Other features of the first floor include an industrial kitchen and dining area, a small gymnasium and pool for therapy activities, and various rooms and offices for patient treatment and administrative functions. The great majority of this floor is more than 20 feet from the nearest window, making it highly unappealing as residential space without a major re-configuration of both interior space and the building’s exterior.

¹ Source: Terracon Phase 1 Environmental Site Assessment, November 28, 2016, page 20

Figure 1 Existing First Floor Layout of HealthSouth Building



Figures 2 through 4 show the existing floorplan for the second through fourth floor of the building. The 41 total patient rooms were located on these three upper floors (shown in orange), with each room measuring roughly 12 by 26 feet (312 square feet) including a basic bathroom with a sink, shower, and toilet. These three floors have regular column spacing that determines the room sizes, and the patient rooms are all located on each floor's southeastern end while the western end is used for therapeutic spaces, examination rooms, and administrative functions. The northern edge of the building is again used mostly for utilities and vertical circulation. While windows are more plentiful than on the first floor, the interior of each upper floor – roughly a third of each floor's total area – does not have window access and thus is unlikely to be usable as residential space.

Figure 2 Existing Second Floor Layout with Patient Rooms Highlighted



Figure 3 Existing Third Floor Layout with Patient Rooms Highlighted

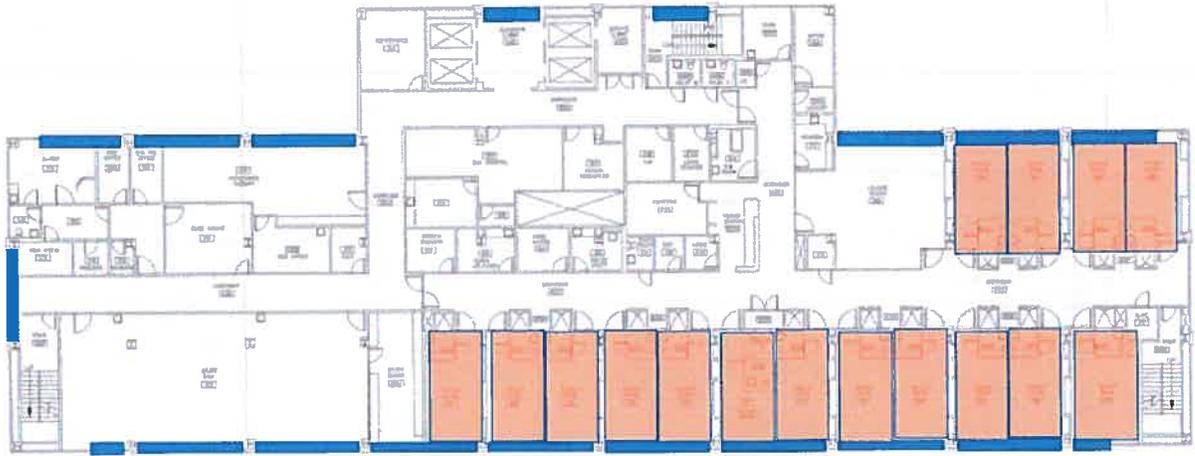


Figure 4 Existing Fourth Floor Layout with Patient Rooms Highlighted

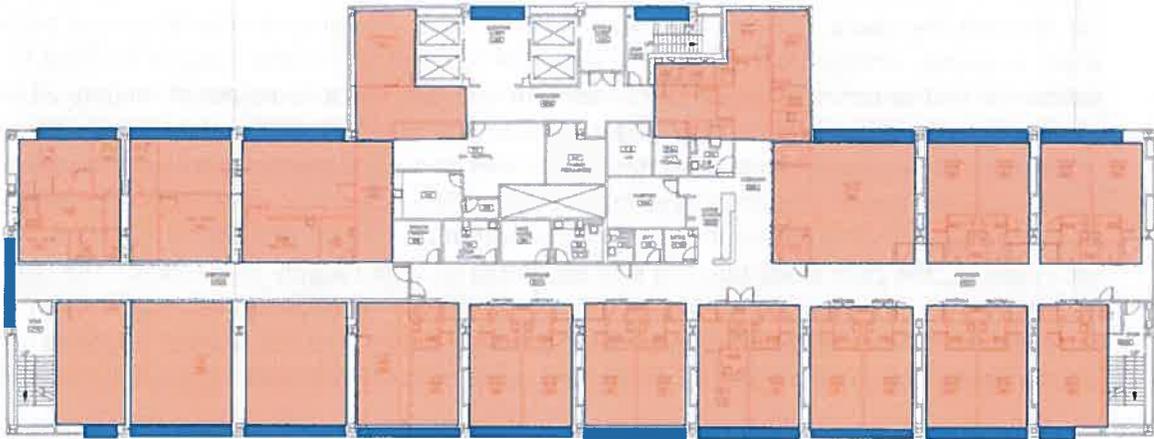


Reuse Feasibility with Major Reconfiguration

Reuse Potential

Figure 5 illustrates one potential floorplan for the upper floors if the building interior underwent significant reconfiguration (and could apply equally to each of those three floors). The new floorplan would still be centered on the existing column widths, but would remove the walls between the existing patient rooms to create units closer to 620 square feet – a more typical size for small one-bedrooms or even large studios in downtown Austin. These floorplans would also make use of the western ends of each floor, currently built for administrative or therapeutic activities rather than patient rooms. In some areas, such as the corners near the stairwells and elevators, units would be smaller and/or have a less regular shape, or these units' square footage could be combined with adjacent units to create two or three-bedroom units. To achieve these configurations, new windows would need to be added in some areas on each floor, and plumbing and exterior ventilation would need to be reconfigured to adjust existing bathrooms and create new kitchens.

Figure 5 Potential Upper Floor Residential Space after Major Reconfiguration



By comparison to the floorplans *without* interior reconfiguration (to be discussed below), these reconfigured floorplans make much more efficient use of the building square footage, as EPS estimates that the equivalent of 18 units averaging 620 square feet could be created on each upper floor, representing just over 50 percent of the total square footage of each floor. This would be far less efficient than a typical new multifamily building and would leave a significant area of the interior of each floor unusable for residential space due to distances from windows, but that area might be amenitized as common space for tenants.

The first floor also offers opportunities for amenities for the residents. The existing swimming pool and gymnasium areas on the western end of the first floor could potentially be retained and reused, and the small office spaces on that western end reconfigured for a lobby and other community space. On the eastern end, EPS believes that reuse for residential space would be challenging due to the profound lack of windows, surplus of exterior doors, etc. However, this eastern end of the first floor might be usable for commercial space, if significantly reconfigured. **Figure 6** demonstrates how this first floor might be divided between commercial office space (shown in red) and lobby/amenity space (shown in yellow) for the residential units on the upper floors. EPS estimates that roughly 10,000 square feet of ground floor commercial space could result from this configuration, though it too would benefit greatly from new exterior windows.

Figure 6 Potential Ground Floor Space after Major Reconfiguration



Estimated Reuse Costs

For the past few years, EPS has been working on another Austin-area redevelopment project which explored, among other things, the potential reuse of an existing medical building for residential and commercial uses. The building in question has a floorplate of roughly 23,000 square feet in a long, rectangular configuration, similar to the HealthSouth building. Structural engineers and contractor-level consultants prepared cost estimates for the reconfiguration of existing patient rooms into units averaging roughly 600 square feet, which involved removing walls, adding plumbing and ventilation, and modest improvement of building exteriors. Once reconfigured, the case study building was estimated to yield roughly 50 percent of its floorplates as rentable residential space, similar to EPS's estimate for the reconfigured HealthSouth building. These characteristics make EPS's previous experience highly relevant to what might be accomplished through the reconfiguration and reuse of the HealthSouth building for housing.

In 2014, the cost estimators for the case study determined that the reuse costs would sum to \$166 per square foot. According to RS Means, an industry standard cost estimating and tracking resource, the cost of construction in Austin has increased by roughly 20 percent since late 2014. This factor would suggest that the 2017 construction cost would be nearer \$199 per square foot. This figure does not reflect prevailing wage or union labor which, according to RS Means, adds roughly 8 percent to typical construction costs. Based on these adjustments, EPS estimates that the current cost of renovating the case study building for residential use would be \$215 per square foot. Given the similarities between the two buildings in their location, configuration, previous use, and potential use, EPS believes this figure is a reasonable proxy for planning-level feasibility analysis for the HealthSouth building. This figure may actually be aggressive (i.e., low) for the HealthSouth building because the case study building did not require the installation of numerous windows to achieve optimal buildout. Interestingly, the case study examined the potential reuse of the other building for office, and determined that office use would cost roughly 8 percent more than residential (\$179 vs. \$166 per square foot in 2014). Thus, EPS believes it is reasonable but perhaps aggressive to use the same \$215/SF figure for the HealthSouth building even if a portion may be used for commercial office functions or tenancies.

Applying the \$215/SF cost to the 87,774 square feet of the HealthSouth building, EPS estimates that the renovation and reuse of the building might cost roughly \$18.9 million. For this level of investment, EPS estimates that the HealthSouth building could offer roughly 54 residential units summing to 33,480 square feet of rentable space, plus another 10,000 square feet of potentially marketable commercial office space.

Estimated Reuse Revenues and Value

To estimate the revenue that could be achieved by the HealthSouth building's conversion to a mixed-use building, EPS has applied currently prevailing market-rate and affordable residential rents, and the current going rate for Class B office space in Downtown Austin. EPS reviewed current asking rents for studios and one-bedroom apartments at several market-rate projects within a few blocks of the HealthSouth building, and determined that units around 620 square feet could achieve rents of roughly \$2.10 per square foot or \$1,302 per month. For the affordable units, a one-person household earning 60 percent of median family income would make \$34,200 per year and could afford rent at \$798 per month. Six current Class B office listings in Downtown Austin indicate that such space may command up to \$30 per square foot rents annually, though most listings were at least 10 percent lower.

Feasibility Conclusions with Major Reconfiguration

The cost to convert the HealthSouth building into usable residential space is expected to greatly exceed the market value of such space, whether offered at market-rate prices or subject to affordability restrictions. **Figure 7** provides an illustration of the feasibility of reusing the HealthSouth building with reconfiguration as described above. In addition to the rehabilitation costs, the City paid \$6.5 million to acquire the buildings. As such, the total cost of acquisition and rehabilitation is estimated at \$25.4 million with major reconfiguration. When pro-rated over the expected uses inside the building, these costs work out to roughly \$360,000 per habitable unit and nearly \$600 per leasable commercial square foot.

Figure 7 then estimates the rent that would be required to pay off the acquisition and rehab costs, plus cover standard operating expenses for the building. The \$25.4 cost of acquiring and reconfiguring the HealthSouth building might be funded with debt service payments of roughly \$1.8 million per year. In addition, EPS estimates that the operating costs for the reconfigured building would be roughly \$350,000 per year, bringing the annual cost per year to roughly \$2.2 million. As shown, EPS estimates that the residential units would need to achieve rents of roughly \$2,550 per month and the commercial space \$54 per square foot per year in order to "break even" on cashflow in the reconfiguration scenario. Each of these rates greatly exceeds the current market rate for such uses in this area of Downtown Austin.

Finally, EPS estimates the subsidies required for reusing the HealthSouth building based on currently applicable market-rate and affordable residential rents, and the current going rate for Class B office space in Downtown Austin. As shown, the achievable rent prices for all three potential uses fall well below those required to cover debt service and operating costs, and indicate that subsidies would be required. The total rents achievable for the residential units and commercial square footage is estimated at only \$980,000 per year, compared to an annual cost for debt service and operations at roughly \$2.2 million, leaving an annual cashflow deficit of \$1.2 million. Because this subsidy would be required every year, EPS has estimated the total subsidy required for the project by capitalizing the annual figure with a 5.5 percent capitalization rate, reflecting our expectation of how property cashflows are converted to building value. For each affordable unit, EPS estimates that a subsidy of \$380,000 would be required, and market-rate units are also expected to require subsidies of roughly \$270,000 per unit. The commercial space in the reconfiguration scenario likewise requires substantial subsidies of over \$400 per leasable square foot.

The result indicates that a total subsidy of \$22.1 million would be required for this project. This figure could be marginally improved if more of the units were offered at market-rate rents (EPS assumes half of the units would be affordable), but each market-rate unit also requires a substantial subsidy.

Figure 7 Feasibility Profile WITH Major Reconfiguration

Item	With Reconfiguration			Total
	Market-Rate 50% of Units	Affordable 50% of Units	Office	
Costs of Acquisition and Rehab				
Housing Units ¹	27	27		54
Leasable SF ²	16,740	16,740	10,000	43,480
Property Acquisition Cost ³	\$2,502,530	\$2,502,530	\$1,494,940	\$6,500,000
Total Rehab Cost (pro rata) ⁴	\$7,265,580	\$7,265,580	\$4,340,251	\$18,871,410
Total Costs for Acquisition and Rehab	\$9,768,110	\$9,768,110	\$5,835,191	\$25,371,410
Total Cost/Unit or SF	\$361,782	\$361,782	\$584	
Rent Required to Achieve Feasibility				
Annual Debt Service (Acq. + Rehab) ⁵	\$709,643	\$709,643	\$423,920	\$1,843,205
Operating Costs/SF/Year ⁶	\$7	\$7	\$12	
Operating Costs/Year ⁷	\$117,180	\$117,180	\$120,000	\$354,360
Total Costs/Year (Debt + Operating)	\$826,823	\$826,823	\$543,920	\$2,197,565
Rent Required (FS) per unit or SF⁸	\$2,552	\$2,552	\$54	
Feasibility at Current Rent Rates				
Market Rent (FS) ⁹	\$1,302		\$30	
Affordable Rent (FS) ¹⁰		\$798		
Expected Rent/Year (FS) ¹¹	\$421,848	\$258,552	\$300,000	\$980,400
Total Costs/Year (Debt + Operating)	\$826,823	\$826,823	\$543,920	\$2,197,565
Net Operating Income/Year	(\$404,975)	(\$568,271)	(\$243,920)	(\$1,217,165)
Total Subsidy Required ¹²	(\$7,363,173)	(\$10,332,191)	(\$4,434,914)	(\$22,130,279)
Subsidy/Housing Unit	(\$272,710)	(\$382,674)		(\$327,692)

- 1) EPS estimate of achievable units
- 2) EPS estimate of usable floor space
- 3) City purchase price for property
- 4) \$215/gross SF With Reconfiguration, \$183/gross SF X 50% of building Without Reconfiguration
- 5) 100% of costs at 6% interest amortized over 30 years
- 6) per leasable SF, estimated by EPS with adjustments for leasable vs. gross square footage
- 7) square footage X operating costs/SF
- 8) assumes 100% occupancy; total costs/number of units or square feet
- 9) \$2.10/SF for larger units, \$2.50/SF for small units, \$30 for Class B office; EPS market survey, June 2017
- 10) rent for 1-person HH at 60% AMI; assumes 28% of gross income toward rent
- 11) assumes 100% occupancy
- 12) annual subsidy capitalized at 5.5%

Reuse Feasibility without Major Reconfiguration

Reuse Potential

The Council Resolution sought information regarding the potential to provide housing "for individuals and families" while "maintaining the existing room configuration." In EPS's estimation, the current interior configuration of the floorplates in the HealthSouth building could yield 41 very small housing units, consistent with the number of inpatient rooms offered by HealthSouth (shown in **Figures 2 through 4**). Each such unit would be roughly 312 square feet, representing a studio or even "micro-unit" product type suitable for one person. These 41 small units would sum to less than 13,000 square feet of rentable residential space, representing less than 15 percent of the total 87,774 square feet of the HealthSouth building and less than 20 percent of the total space on any given floor. In EPS's opinion, this outcome would represent a highly inefficient use, as most newly constructed multifamily buildings lease at least 75 percent of their total floorspace.

While not impossible, it is not typical that commercial uses would share elevators, corridors, and other building features *on the same floor* as residential uses. If portions of the upper floors were to be offered for commercial office uses, at a minimum, significant changes would be required to separate these from the residential areas. Moreover, given the specialized uses of the various existing rooms in the HealthSouth building, significant interior reconfiguration likely would be required for most commercial uses, whether on the upper or lower floors. As such, EPS believes that it will be difficult to attract commercial users to share the HealthSouth building with housing in the scenario without interior reconfiguration.

Estimated Reuse Costs

Without the major reconfiguration of interior walls, the creation of 41 very small residential units would still be very expensive. Only about 15 percent of the case study cost estimate was for "interior construction" to reconfigure walls; the remaining 85 percent was for items like plumbing, HVAC, electrical, interior finishes, and furnishings, plus design work and typical overhead and contingencies. EPS expects that the cost to create very small residential units would be higher per square foot than a larger unit, because the costs of standard features like kitchen appliances are spread over less square footage and the tighter space requires more thoughtful design and built-in fixtures and furnishings. As noted above, EPS does not believe that a commercial tenant could be attracted to the HealthSouth building without significant reconfiguration of the interior space. But even if only half of the HealthSouth building were to undergo the renovations required to yield the 41 small units (with the remainder of the building being "mothballed" at a nominal cost) *and* the renovation could be completed for 15 percent lower costs per square foot than the more significant reconfiguration (\$183 vs. \$215/square foot), EPS estimates the building's reuse would still cost \$8.0 million, and would yield only about 12,800 habitable square feet of residential space and no market-competitive commercial space.

Estimated Reuse Revenues and Value

EPS reviewed current asking rents for studios and one-bedroom apartments at several market-rate projects within a few blocks of the HealthSouth building, and determined that units around 620 square feet could achieve rents of roughly \$2.10 per square foot per month, while smaller studio units might achieve rents nearer \$2.75 per square foot or \$858 per month for a 312-square foot unit. For the affordable units, a one-person household earning 60 percent of median family income would make \$34,200 per year and could afford rent at \$798 per month.

Feasibility Conclusions without Major Reconfiguration

Even without major reconfiguration, the cost to convert the HealthSouth building into usable residential space is expected to greatly exceed the market value of such space, whether offered at market-rate prices or subject to affordability restrictions. **Figure 8** provides an illustration of the feasibility of reusing the HealthSouth building without reconfiguration.

The total cost of acquisition and rehabilitation is estimated at \$14.5 million without major reconfiguration. When pro-rated over the expected uses inside the building, these costs work out to roughly \$350,000 per habitable unit, nearly the same cost per unit as with major reconfiguration despite the fact that the units are roughly half the size in this scenario.

Figure 8 then estimates the rent that would be required to pay off the acquisition and rehab costs, plus cover standard operating expenses for the building. The \$14.5 cost of acquiring and renovating the HealthSouth building might be funded with debt service payments of roughly \$1.1 million per year. In addition, EPS estimates that the operating costs for the reconfigured building would be roughly \$130,000 per year, bringing the annual cost per year to roughly \$1.2 million. As shown, EPS estimates that the residential units would need to achieve rents of roughly \$2,400 per month in order to "break even" on cashflow in this scenario. This rent rate greatly exceeds the current market rate for such uses in this area of Downtown Austin.

Finally, EPS estimates the subsidies required for reusing the HealthSouth building based on currently applicable market-rate and affordable residential rents in Downtown Austin. As shown, the achievable rent prices fall well below those required to cover debt service and operating costs, and indicate that subsidies would be required. The total rents achievable for the residential units is estimated at only \$400,000 per year, compared to an annual cost for debt service and operations at roughly \$1.2 million, leaving an annual cashflow deficit of \$775,000. Again converting this annual deficit to a total cost, EPS estimates that a subsidy of \$350,000 would be required for each affordable unit, and market-rate units are also expected to require subsidies of roughly \$340,000 per unit.

The result indicates that a total subsidy of \$14.1 million would be required for this project. Again, this figure could be marginally improved if more of the units were offered at market-rate rents (EPS assumes half of the units would be affordable), but each market-rate unit also requires a substantial subsidy.

Figure 8 Feasibility Profile WITHOUT Major Reconfiguration

Item	Without Reconfiguration			Total
	Market-Rate 50% of Units	Affordable 50% of Units	Office	
Costs of Acquisition and Rehab				
Housing Units ¹	21	20		41
Leasable SF ²	6,552	6,240	-	12,792
Property Acquisition Cost ³	\$3,329,268	\$3,170,732	\$0	\$6,500,000
Total Rehab Cost (pro rata) ⁴	\$4,113,603	\$3,917,718	\$0	\$8,031,321
Total Costs for Acquisition and Rehab	\$7,442,872	\$7,088,449	\$0	\$14,531,321
Total Cost/Unit or SF	\$354,422	\$354,422	\$0	
Rent Required to Achieve Feasibility				
Annual Debt Service (Acq. + Rehab) ⁵	\$540,717	\$514,968	\$0	\$1,055,685
Operating Costs/SF/Year ⁶	\$10	\$10	\$0	
Operating Costs/Year ⁷	\$65,520	\$62,400	\$0	\$127,920
Total Costs/Year (Debt + Operating)	\$606,237	\$577,368	\$0	\$1,183,605
Rent Required (FS) per unit or SF⁸	\$2,406	\$2,406	N/A	
Feasibility at Current Rent Rates				
Market Rent (FS) ⁹	\$858		\$30	
Affordable Rent (FS) ¹⁰		\$798		
Expected Rent/Year (FS) ¹¹	\$216,216	\$191,520	\$0	\$407,736
Total Costs/Year (Debt + Operating)	\$606,237	\$577,368	\$0	\$1,183,605
Net Operating Income/Year	(\$390,021)	(\$385,848)	\$0	(\$775,869)
Total Subsidy Required ¹²	(\$7,091,282)	(\$7,015,420)	\$0	(\$14,106,703)
Subsidy/Housing Unit	(\$337,680)	(\$350,771)		(\$344,066)

- 1) EPS estimate of achievable units
- 2) EPS estimate of usable floor space
- 3) City purchase price for property
- 4) \$215/gross SF With Reconfiguration, \$183/gross SF X 50% of building Without Reconfiguration
- 5) 100% of costs at 6% interest amortized over 30 years
- 6) per leasable SF, estimated by EPS with adjustments for leasable vs. gross square footage
- 7) square footage X operating costs/SF
- 8) assumes 100% occupancy; total costs/number of units or square feet
- 9) \$2.10/SF for larger units, \$2.50/SF for small units, \$30 for Class B office; EPS market survey, June 2017
- 10) rent for 1-person HH at 60% AMI; assumes 28% of gross income toward rent
- 11) assumes 100% occupancy
- 12) annual subsidy capitalized at 5.5%

Opportunity Cost Assessment

As discussed above, the subsidy required to renovate the HealthSouth building for housing is estimated at roughly \$344,000 per unit without major reconfiguration of the building, and \$328,000 per unit with major reconfiguration. For these subsidies, the building could be converted to provide an estimated 41 to 54 affordable units, averaging between 300 and 620 square feet per unit. **Figure 9** replicates the subsidy per unit calculations from **Figures 7** and **8**, and adds an estimate of the subsidy per potential occupant based on the unit sizes.

Figure 9 Estimated Subsidy per Occupant

Item	WITH Reconfiguration	WITHOUT Reconfiguration
Units Provided	54	41
Average Size	620	312
Avg. Occupants/Unit ¹	1.5	1
Total Occupants	81	41
Residential Subsidy ²	\$17,695,365	\$14,106,703
Subsidy/Unit	\$327,692	\$344,066
Subsidy/Occupant	\$218,461	\$344,066

1) EPS estimate based on unit square feet

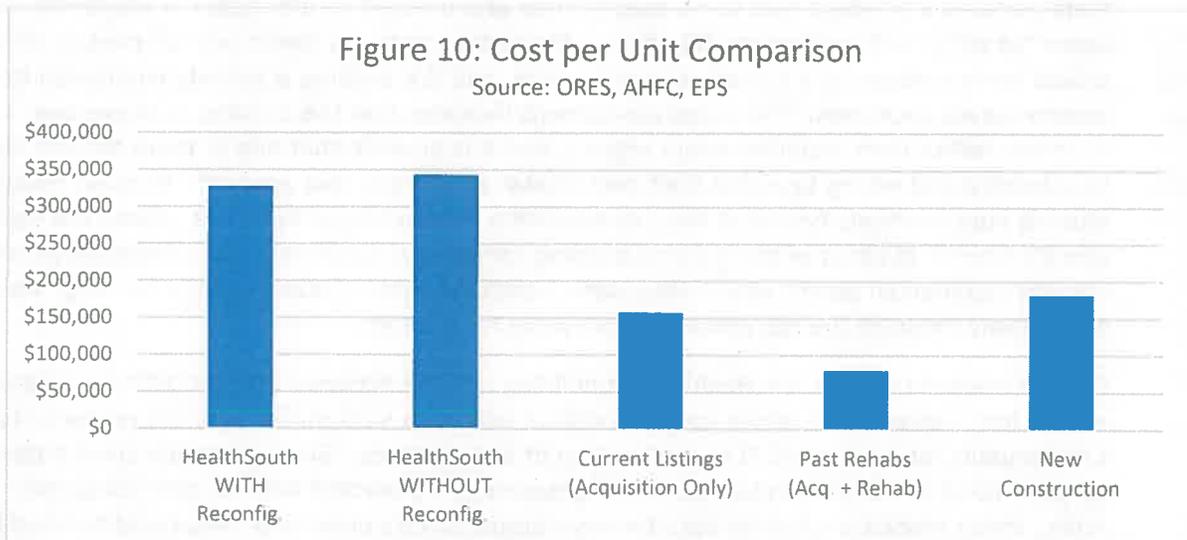
2) See Figures 7 and 8 for residential subsidies only

To place these costs into greater context, EPS has received information from Austin's Office of Real Estate Services (ORES), Neighborhood Housing & Community Development Department (NHCD), and Austin Housing Finance Corporation (AHFC) regarding other past and potential uses of funds for affordable housing. Information received pertains to:

1. **Current listings** – ORES provided list prices for 13 apartment properties being marketed for sale in the City of Austin, representing 202 total units at an average asking price of \$158,104 per unit
2. **Past Rehabs** – AHFC provided the costs to acquire and renovate three buildings in 2010-11, representing 350 total units at an average cost of \$79,000 per unit
3. **New Construction** – AHFC provided the budgets for nine new construction projects completed in 2016-17 or currently underway, representing 1,028 total units at an average development cost of \$180,847 per unit

Note that these figures above represent the gross cost to provide affordable units through these other means. The net cost would be lower, as the occupants would pay rents that cover a portion of the gross costs.

Figure 10 compares the estimated subsidy requirements (net costs) for housing in the HealthSouth building to those other examples, and indicates that the cost to subsidize a housing unit at HealthSouth is significantly greater than the total costs recently incurred to acquire and rehab existing buildings for permanent affordable housing or to construct new affordable housing units. The HealthSouth costs also appear to greatly exceed the amounts required to acquire other currently listed existing apartments. For these much greater costs per unit, the HealthSouth building would provide very small units that would serve fewer people per unit than could be expected from other affordable housing projects.



For a given amount of funding sources, these comparisons indicate that the City could achieve at least twice as many affordable units, and serve more than twice as many individuals, by directing subsidies toward other projects as could be achieved at the HealthSouth building.

Other Implementation Options

In addition to the potential renovation of the HealthSouth building for residential use analyzed above, EPS considers it reasonable that the City would explore three different paths for the property: 1) offering the building for sale; 2) seeking a low-cost interim use; 3) joining forces with Central Health to create a larger and stronger redevelopment site.

Sale of the Building

The 2016 appraisal for the property indicates that the HealthSouth building is in an adequate state of repair and could command as much as \$33 million if offered for sale as a fee simple transaction, with the adjacent parking garage valued at another \$3.4 million. Medical-related uses may be able to make use of the combined properties largely as-is, and would benefit from the properties' proximity to the new medical school and hospital on the UT campus, as well as any improvements that may occur as a result of the redevelopment of the Central Health UMCB property immediately north of HealthSouth. The City could offer the properties for sale, and if their appraised value is achieved, would generate nearly \$30 million in net revenues after accounting for the \$6.5 million purchase price. This \$30 million gain could be used for numerous purposes, including the potential subsidy of affordable housing units elsewhere or even within the adjacent UMCB redevelopment. According to the City's [Affordable Housing Actions summary for 2015](#), the City approved direct investment of \$32.4 million into projects summing to 1,534 income-restricted units. These figures equate to an average City investment of \$21,148 per

unit. At this subsidy level, the net proceeds from the sale of the HealthSouth properties could conceivably be used to create roughly 1,500 affordable units, rather than the City having to identify and secure an estimated \$22 million in currently unidentified subsidy to reconfigure and reuse the HealthSouth building for roughly 54 small affordable units.

Interim Use Potential

As described above, the HealthSouth building appears to face significant feasibility challenges if long-term reuse as residential space is sought. However, as indicated in the appraisal valuation, there remains a prospect that some specific user group would be interested in occupying the space "as is" or with modest modifications. The proximity to the Seton and UT medical complex should remain attractive for medical-related uses, and the building is already configured to accommodate such uses. The initial assessment indicates that the building is in average condition rather than requiring major repairs, and it is possible that one or more tenants could be attracted and willing to invest their own capital and/or pay rent adequate to cover modest internal improvements typical of most re-tenanting of commercial buildings. Given the mission-specific interior buildout of the existing building for medical functions, EPS believes any non-medical commercial tenant would likely seek significant reconfiguration of the building, which would likely diminish the net proceeds achievable for the City.

Current market rates for the HealthSouth building may be between \$20 and \$30 per building square foot (full service), which could yield \$1.8 million to \$2.6 million in gross proceeds to the City annually, or perhaps \$1.0 to \$2.0 million in net revenues. Such payments could support a revenue bond of \$15 million to \$30 million (assuming 4.5 percent interest over 25 years). Again, these proceeds could be used for any number of City objectives, and could be used to create many more affordable housing units than could be achieved in the HealthSouth building.

Redevelopment Potential

Central Health has identified four "shortlisted" development entities who are being invited to make formal proposals for the redevelopment of the UMCB campus immediately north of HealthSouth. This six-block area offers a unique opportunity for coordinated development in Downtown Austin near UT and the Capitol Complex. The 2016 appraisals for the HealthSouth properties indicated that they may be worth an estimated \$15.4 million as a site for development. If the City elected to coordinate with Central Health on the creation of a unified district by combining the HealthSouth properties with those offered by Central Health, the \$15.4 million value of the land could conceivably be used to enhance the overall UMCB redevelopment project through community benefits and/or more efficient development, or the City could simply retain the land value proceeds for other City objectives.

Conclusions

Based on this analysis, EPS concludes that the reuse of the HealthSouth building for residential use is likely to require substantial subsidy that greatly exceeds the amounts that would likely be required to acquire and renovate other existing properties for affordable housing, or to construct new affordable housing on other sites in the City. By contrast, the value of the HealthSouth property if sold or leased for another occupant (particularly one who could make extensive use of the existing interior configuration), or if simply used as a site for future development, is likely to generate significant positive revenues that could be used for more efficient affordable housing development or other City objectives. EPS recommends exploring these alternative options, including outreach to commercial brokers, direct contacts with potential users, and discussions with Central Health regarding the potential benefits of coordinated disposition and development.

EXHIBIT 10

Austin City Council Resolution 20181004-042 directing City Manager to initiate a solicitation for former HealthSouth site

RESOLUTION NO. 20181004-042

WHEREAS, the City Council authorized the acquisition of the HealthSouth Hospital Facility and Parking Garage for \$6.5 million; and

WHEREAS, the price was well below the appraised market value and represented a significant opportunity for the City to repurpose or redevelop the combined sites and shape the future development of the Northeast District of Downtown; and

WHEREAS, the City Council approved Resolution 20161215-020 authorizing the reimbursement of the \$6.5 million capital expenditure from tax-exempt certificates of obligation; and

WHEREAS, Resolution No. 20170323-052 directed the City Manager to evaluate the HealthSouth building for its potential to provide affordable housing in the range of 60% median family income or below, as well as some market rate housing for individuals and families; estimate costs and a timetable for implementation of the City Manager's evaluation; identify potential funding strategies; and identify potential private entities that could partner on the development of housing on this site; and

WHEREAS, the City contracted with a consultant, Economic and Planning Systems, Inc. (EPS) and issued a memo on November 20, 2017, detailing options, limitations, and costs associated with reconfiguring the site for affordable housing; and

WHEREAS, in July of 2018 the Urban Land Institute (ULI) issued a report that identified HealthSouth as the top city-owned site for high opportunity impact and affordable housing; and

WHEREAS, ULI contends that “unlike the EPS report, ULI Austin’s Affordability Strategic Council considered including the adjacent city owned-parking garage site located at 606 E 12th Street as part of a possible affordable housing project;” and

WHEREAS, ULI’s report states that the “HealthSouth site provides a rare opportunity to provide affordable housing within the Central Business District, an area of high opportunity”; and

WHEREAS, in addition to downtown employment opportunities, the site is near Dell Medical School and the teaching hospital, the Innovation District, the Texas Mall, the future redevelopment Brackenridge site, and the future Waller Creek parks and developments; and

WHEREAS, ULI believes that the site “could be financially viable under the 4% Tax Credit program because it is located in an area known as a Small Area Difficult to Develop Area (SADDA) that qualifies for a “boost” of credits in the 4% program;” and

WHEREAS, the site’s proximity to transit, healthcare facilities, and employers could provide incredibly rare housing opportunities for lower income households in the Downtown area and this analysis is worthy of deeper contemplation and discussion; **NOW, THEREFORE:**

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

The City Manager is directed to announce and initiate a solicitation for detailed plans and cost estimates, with input from bond counsel to ensure that the certificates of obligation are properly addressed, regarding the development of 1215 Red River and 606 E. 12th Street, particularly for mixed-income housing,

with a significant emphasis on multiple-bedroom housing for households who earn 60% median family income and below. Respondents should propose on-site mixed-income housing, and respondents should be allowed the option to maximize Strategic Housing Blueprint goals through off-site affordable housing, preferably within one mile of Downtown, in addition to their on-site proposal.

BE IT FURTHER RESOLVED:

The City Manager is directed to present the status of this solicitation to the Council no later than November 1, 2018.

ADOPTED: October 4, 2018

ATTEST:

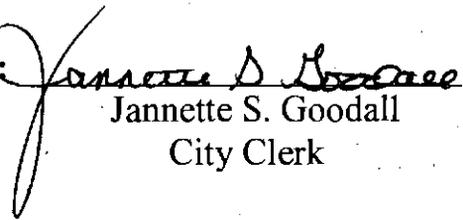
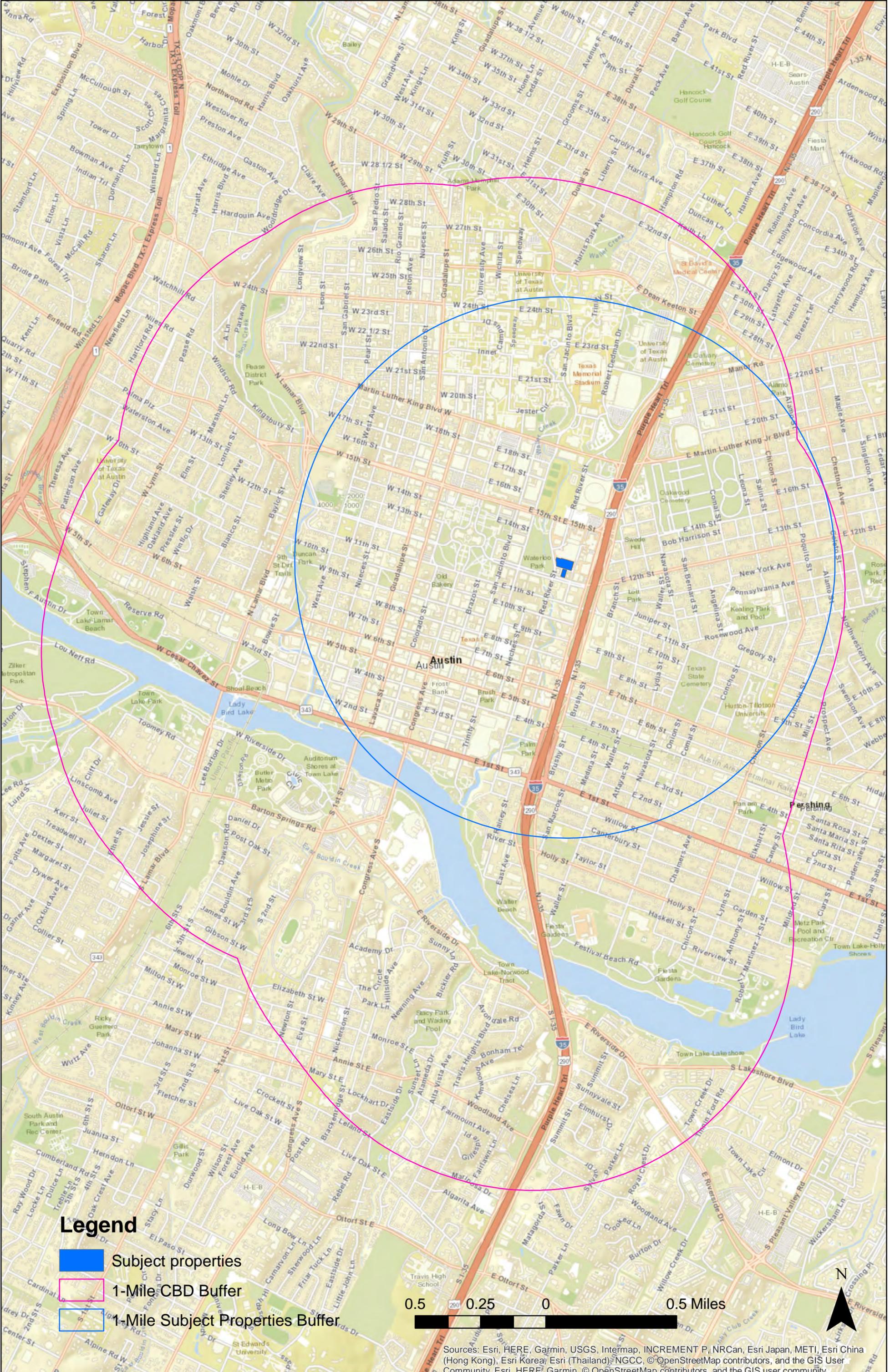

Jannette S. Goodall
City Clerk

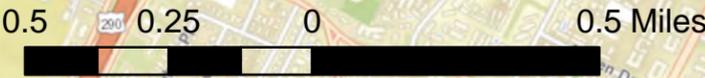
EXHIBIT 11

Map of area one mile from Downtown as mentioned in Resolution
20181004-042



Legend

- Subject properties
- 1-Mile CBD Buffer
- 1-Mile Subject Properties Buffer



Sources: Esri, HERE, Garmin, USGS, Intermap, INCREMENT P, NRCan, Esri Japan, METI, Esri China (Hong Kong), Esri Korea, Esri (Thailand), NGCC, © OpenStreetMap contributors, and the GIS User Community, Esri, HERE, Garmin, © OpenStreetMap contributors, and the GIS user community

EXHIBIT 12

ULI Austin Report: “City of Austin 5 Sites Considered for Affordable Housing ULI Affordability Strategic Council Ranking” July 30, 2018 as mentioned in Resolution 20181004-042

City of Austin 5 Sites Considered for Affordable Housing ULI Affordability Strategic Council Ranking July 30, 2018

WHO

The Urban Land Institute (ULI) is a member driven organization providing leadership in the responsible use of land and in creating and sustaining thriving communities worldwide. As the preeminent, interdisciplinary real estate forum, ULI facilitates the open exchange of ideas, information and experience among local, national and international industry leaders and policy makers who are dedicated to creating better places. ULI has long been recognized as one of the world's most respected and widely quoted sources of objective information on urban planning, growth, and development.

Established locally in 1999, ULI Austin is a district council of the Urban Land Institute where real estate professionals from across Central Texas exchange ideas and best practices to serve community needs. ULI Austin brings together leaders from both private and public sectors who share a common interest in responsible land use strategies and a commitment to excellence in development practice. In 2017, ULI Austin created Strategic Councils that bring together regional private, public and non-profit stakeholders and experts to address regional issues. ULI Austin does not advocate; we offer fact-based information through research, education and publishing. ULI Austin collaborates with other industry-leading organizations on many land use initiatives, including but not limited to workforce housing, high-capacity transit and roadways, the reuse of existing infrastructure, and planning healthier environments.

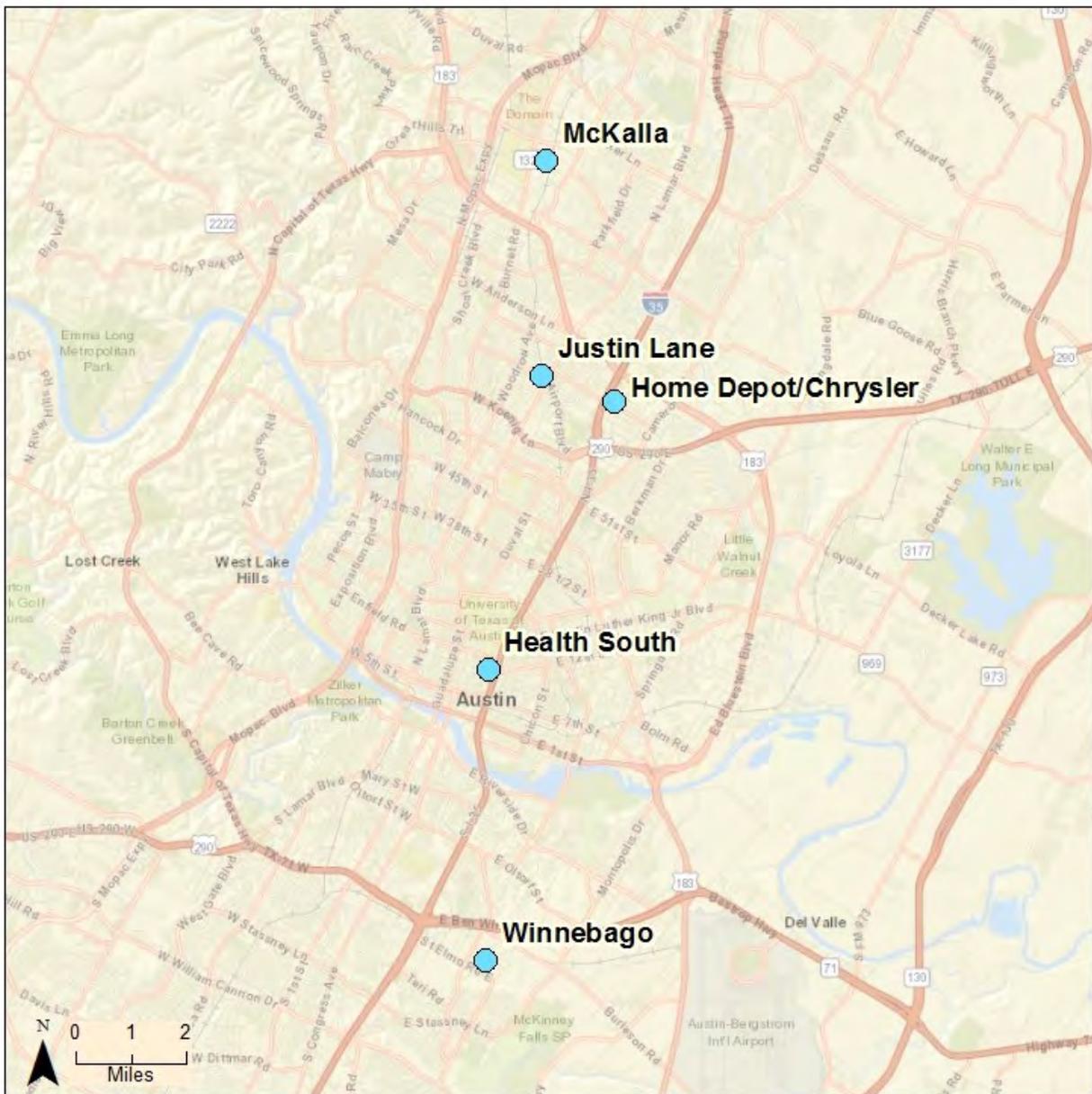
WHAT

The City of Austin Office of Real Estate Services (ORES) presented to City Council twelve “opportunity” sites divided into “initial” and “long term” sites that could be developed to include Affordable Housing. The five sites designated as “Initial Sites” are mapped in Figure 1 and have the following addresses:

1. McKalla - 10414 McKalla Place
2. Justin Lane - 6909 Ryan Drive
3. Home Depot/Chrysler - 7211 N IH 35
4. HealthSouth - 1215 Red River
5. Winnebago - 4711 Winnebago Lane

Utilizing ULI member expertise, ULI Austin's Affordability Strategic Council has ranked the five sites for viability as affordable rental housing. The rankings looked at Low-Income Housing Tax Credit (LIHTC) program criteria, proximity to amenities, and zoning attributes. The two top ranked sites were then further studied to consider unit counts and financial ramifications. This white paper provides the ULI Affordability Strategic Council's findings and recommendations.

Figure 1: Map of 5 “Initial Sites”



WHY

ULI Austin's Affordability Strategic Council has identified Affordable Housing on Government Land as a key initiative to help address Austin's affordability issue. If the City of Austin does make one or more of the five sites available for Affordable Housing, it will be a noticeable investment by the city towards impacting Austin's affordability issue. The Affordability Strategic Council is providing expert opinion on the ranking of the five sites to assist the city in maximizing the impact of their investment.

INITIAL RANKING

Methodology

ULI Members considered five main factors:

- Texas Department of Housing and Community Affairs (TDHCA) scoring criteria for award under the 9% Competitive Low-Income Housing Tax Credit Program (LIHTCP)
- Zoning attributes as provided by the City of Austin
- Proximity to transit
- Proximity to employment
- Proximity to a grocery store. We did NOT look at physical site attributes such as topography, trees, drainage or utility availability for the initial rankings.

Analysis

The ULI Affordability Council analysis of the five sites according to Texas Department of Housing and Community Affairs (TDHCA) scoring criteria under their 2018 rules is included in Table 1 below. This ranking is significant because the LIHTC program is the number one source of funds for affordable housing in the United States. The more tax credits a project can "win", the less additional financing is required. There are two types of credits – 9% credits (awarded on a competitive basis) and 4% credits (noncompetitive). The 4% credit program brings less than half the equity of the 9% credit program to an affordable housing deal and is therefore both less desirable *and* more difficult to finance. A brief explanation of tax credit financing is provided in Appendix A.

TDHCA uses numerous criteria to determine if a project will receive an award of 9% credits. Many of these are related to the proposed project itself – population served, household income levels served, amount of credits requested, ownership structure, etc. ULI did not study these factors since they are dependent on the individual proposed project. Another subset of TDHCA criteria is driven by the location of a proposed project including proximity to the urban core, proximity to other Tax Credit developments (referred to as "underserved"), proximity to amenities ("opportunity index"), and poverty in the census tract. We only considered these variables in this analysis. TDHCA also screens sites for proximity to low opportunity features including blight and poorly performing schools. Brief notes on the potential site issues identified for the sites is also included in Table 1. Zoning information is included in Table 2.

Table 1: Analysis per TDHCA Scoring Criteria

Site Name	Presumed TDHCA Score	Potential Site Issues	Acreage	TCAD Parcel
McKalla	153	One school did not meet standard. Proximity to rail and transmission lines would need to be addressed.	23.56	547839
Justin Lane	155	Minor blight nearby.	5.47	232150
Home Depot/ Chrysler	153	Part of the site would likely need re-zoning. Minor blight nearby.	19.11	230376 & 231592
HealthSouth	158	Site likely needs re-zoning.	1.38	197049
Winnebago	157	One school did not meet standard.	8.32	292466

The five sites were further analyzed to roughly estimate the number of units the site could accommodate as shown in Table 2. This estimate is based on zoning and density limitations, not on any architectural schematics, including setbacks, Floor to Area Ratios (FAR), height limitations, etc. Where current zoning does not permit multi-family development, a conservative estimate of a possible rezoning is assumed as shown in the table.

Table 2: Analysis Estimating Allowable Units

Site Name	Zoning	Vertical Mixed-Use? (VMU)	Future Land Use Map designation	Density Limitations	Assumed Rezoning	Estimated Units*
McKalla	Limited Industrial Services - Neighborhood Plan	No	High Density Mixed Use	na	MF-4 36-54 units per acre	500+
Justin Lane	Transit Oriented District – Neighborhood Plan (TOD-NP)	Possibly	Specific Regulating District	Standard max 45 units/acre overridden by TOD	na	250+
Home Depot/ Chrysler	Public - NP (HomeDepot) and Mixed Use (Chrysler) St. John & St. John Coronado Hills Combined Neighborhood Planning Area	No	Civic (HomeDepot) & Mixed Use (Chrysler)	established by site area: up to 87 2-bedroom units; 105 1-bed units; or 131 efficiencies	MF-4 36-54 units per acre	500+
HealthSouth	Public	No	None?	na	DMU	200+
Winnebago	Limited Industrial - Conditional Overlay - NP	No	Recreation and Open Space	na	MF-3 36 units/acre	250+

*Unit count based on Estimated Density with Conservative Rezoning where Multi-Family not currently permitted by zoning.

The five sites were also analyzed for proximity to transit and low and middle wage jobs. These findings are included in Table 3 below. This analysis was performed based on current conditions and does not include any proposed or assumed changes. For example, the Kramer Lane stop for the commuter rail is proposed to move closer to the McKalla site. Moving the rail stop would place the McKalla site on a transit corridor, increasing the site’s desirability for Affordable Housing development. The table does not consider this change in commuter rail stop location.

Table 3: Analysis of Proximity to Transit and Jobs

Site Name	Transit Corridor?	Transit Stops/ Routes within 1/4 mile	Primary Jobs in Census Tract	Primary Jobs Within 1 mile of Census Tract	Low to Middle Wage (<\$3,333/mo) Jobs in Census Tract	Low to Middle Wage (<\$3,333/mo) Jobs Within 1 mile of Census Tract
McKalla	Not available	7 stops/ 4 routes	25,388	69,313	8,933	29,378
Justin Lane	Lamar/Justin TOD, N Lamar and Airport	10 stops/ 6 routes	1,969	42,369	1,374	25,970
Home Depot/ Chrysler	Not available	10 stops/ 3 routes	4,094	39,372	2,235	25,174
HealthSouth	0.41 mi from MLK	24 stops/ 18 routes	25,559	154,304	7,129	63,430
Winnebago	Not available	2 stops/ 1 route	10,310	27,104	4,733	11,678

Finally, the five sites were analyzed for proximity to food source. The Food Access Research Atlas uses an area-based determination of food access that combines measures for income, household proximity to grocery stores, and vehicle access. Data is provided at the Census Tract level. This is a commonly used tool in food access studies; however, this tool is limited in part because of the scale used. More detailed studies incorporate door to door surveys of residents, consider SNAP (federal food assistance) usage, or use fine-grained mapping of food resources such farmers markets. These more powerful tools are not available nationally beyond ZIP code level yet. Some notes from analyzing the five sites for proximity to food source are:

- The highest need areas from a food perspective are combined Low-Income and Low Food Access census tracts. None of the City of Austin properties are in these highest need areas.
- 3 of the properties (Health South, Justin, McKalla) are in Low-Access areas (low food access but with sufficient area income).
- 2 of the properties (Home Depot/Chrysler, Winnebago) are in a Low-Income area (Poverty rate over 20% but have sufficient area proximity to supermarkets).
- All five properties are in census tracts bordered by the highest need Low-Income and Low-Access areas. Some properties are so close to the adjacent high need areas that there will presumably be an impact on these areas – i.e. neighborhoods and resident movements don’t stop at census tracts lines. Information on these adjacent census tracts are included in the table when the property is within 0.25 miles (1,320 feet) of the high need tract.
- The tool considers different distance-to-supermarket criteria for urban and rural areas so that impacts, and not distances, are normalized across density types. For example, ½ urban mile is considered

comparable to 10 rural miles. Since all of these properties are urban, only the ½ mile description is provided in the summary table below.

- Overall, from the food tool, the highest impact areas for affordable housing are (1) McKalla, (2) Health South, (3) Justin, (4) Home Depot, and (5) Winnebago. This of course is impactful ONLY if the housing encourages food store siting near the housing. Otherwise, the proposed developments would place affordable housing into food deserts.

These findings are summarized in Table 4 below. Further details on each individual site are included in Appendix B.

Table 4: Analysis of Proximity Food Source

Site Name	Food Access Status of Property Site Census Tract	Food Access Status of Tracts within 0.25 miles of Property
McKalla	Low-Access to supermarkets within ½ mile	150 feet from a combined Low-Income and Low Food Access tract
Justin Lane	Low-Access to supermarkets within ½ mile	1,200 feet from a combined Low-Income and Low Food Access tract
Home Depot/ Chrysler	Low-Income tract but food availability is sufficient	250 feet from a combined Low-Income and Low Food Access tract
HealthSouth	Low-Access to supermarkets within ½ mile	750 feet from a combined Low-Income and Low Food Access tract 900 feet from a second combined Low-Income and Low Food Access tract 1200 feet from a third combined Low-Income and Low Food Access tract
Winnebago	Low-Income tract but food availability is sufficient	1,300 feet from a combined Low-Income and Low Food Access tract 1,300 feet from a second combined Low-Income and Low Food Access tract

Rankings

The combined full ranking of the five sites by the ULI Affordability Strategic Council from highest opportunity for impact to lowest are as follows:

1. Health South
2. Justin Lane
3. Home Depot/Chrysler
4. McKalla
5. Winnebago

In terms of desirability purely as a piece of real estate, as well as from a community development perspective, the Health South site in Downtown is the best site. The Health South site provides a rare opportunity to provide affordable housing within the Central Business District, an area of high opportunity. Along with downtown job opportunities, the site is near Dell Medical School and the teaching hospital, the future redeveloped Brackenridge site, and the future Waller Creek parks and developments. The site has excellent access to jobs, transit, and other amenities, scores well by TDHCA standards (158), and could be financially viable under the 4% Tax Credit program because it is located in an area known as a SADDA (difficult to develop area) that qualifies for a “boost” of credits in the 4% program.

From a community development perspective (meaning a site’s ability to provide quality housing in a location that meets the needs of lower-income households), the Justin Lane site and the Chrysler portion of the Home Depot/Chrysler site have the next best opportunity for impact (the only reason the Home Depot portion is excluded is due to its zoning, which is “public” and could be difficult to change). These sites have great connectivity, access to jobs and community assets, and they are zoned to allow for Mixed-Use developments with the potential for Vertical Mixed Use (VMU) designations. The Justin site is on the commuter rail red line and the Chrysler/Home Depot site is adjacent to IH-35.

McKalla and Winnebago are also good sites for affordable housing, but comparatively they are more isolated from public transportation routes and amenities, and they have some issues with zoning and proximity to low opportunity features. None of these issues are insurmountable. McKalla is slated for High Density Mixed Use in the Future Land Use Map (FLUM), putting it ahead of Winnebago, which is designated as Recreation and Open Space on the FLUM.

FURTHER ANALYSIS OF HEALTH SOUTH AND JUSTIN LANE

ULI Affordability Strategic Council further studied the Health South and Justin Lane sites for possible unit counts and financial modeling. These sites were chosen for further study because they were the two highest ranking sites and of manageable size to do initial architectural concept drawings. The Home Depot/Chrysler and McKalla sites are both very large allowing for countless project configurations.

The financial modeling assumes the land is provided to the developer at no cost and General Obligation Bond or other funds from Neighborhood Housing and Community Development and/or Austin Housing Finance Corporation would be used for gap financing. Fee Wavers and SMART Housing Waivers were not included in the financials; however, any inclusion of these help maximize the project's affordability.

Health South

The ULI Affordability Strategic Council is familiar with the existing report, "Economic Analysis of HealthSouth Property Reuse as Housing; EPS #171066" by Economic & Planning Systems, Inc (EPS), dated August 21, 2017. ULI Austin's Affordability Strategic Council studied the site independent of the report but has included some reference within this report to highlight areas needed for consideration. Unlike the EPS report, ULI Austin's Affordability Strategic Council considered including the adjacent city owned parking garage site located at 606 E 12th Street as part of a possible affordable housing project.

Unit Count

The following architectural assumptions were used to determine the possible units at Health South. These assumptions are based on standards for urban development.

- The existing building on the site should be demolished and replaced because the existing building does not lend itself to maximizing unit counts nor desirable units. Using the existing building would not be financially viable or efficient. The EPS report also found the existing building to be "highly inefficient to reuse for housing without a major reconfiguration" and states that such reconfiguration costs surpassed the possible value of the created units.
- 800 sf average unit size (includes some 2-3-bedroom units, but less than a suburban site).
- The adjacent parking garage site would be included with the development of the Health South site to provide parking for the residential units. If this is not available, the Health South site unit count possibilities decrease significantly because parking would have to be developed on the site and there are height restrictions. Moreover, this type of parking would increase the per unit cost of the building.
- 1 space per unit parking, likely accomplished on the adjacent parking garage site.
- The garage parcel will be able to be rezoned from "Public" to "CS-1" or DMU-60, both of which have 60' height caps and allow a mix of residential and commercial uses.

The architectural concept drawings are included in Appendix C. The ULI Affordability Council proposes that the site could provide 207 units (168,700 RSF of residential) and 8,165 RSF of retail space (RSF is Rentable Square Feet). The EPS report included recommendations to sell the Health South site to fund affordable housing at a different site. As the city considers this option, it may be suitable to include the parking garage site to make the site more attractive to developers. As found by ULI's Affordability Strategic Council when working on concepts for the Health South site, providing parking on the Health South site with the height restrictions is expensive and greatly reduces the site's development potential.

Financials

The ULI Affordability Strategic Council ran some initial financial analysis of the site based on the architectural concept unit counts provided herein. Since demolition of the existing building is needed to realize the project's potential, all financials included \$800,000 for demolition as a cost to the developer. The land was assumed to be provided in its current condition. This project would likely be a 9% Tax Credit project rather than a 4% due to its desirable site and subsequent high score under the LIHTC program. There is a manageable financing gap as a 9% deal - under \$3MM, but for a 4% deal the gap grows to \$10MM. This is because the project does not qualify for more credits as a 4% deal, combined with the constraints on the number of units and the 60% affordability. The 9% deal works because it is half market rate. Another way to achieve affordability on the site would be to do a Public Facility Corporation (PFC) transaction in which a local PFC owns the site and provides a property tax exemption. This would also be a mixed-income project and include half of the units for families at 80% of the Median Family Income and below along with market rate units. This option would provide realistic downtown housing for lower income professionals such as nurses. If the PFC also participates as the General Partner/General Contractor, the project could realize a sales tax exemption on the building materials used in the construction of the project that may allow for a greater level of affordability for some of the units.

Justin Lane

Unit Count

The following architectural assumptions were used to determine the possible units at Justin Lane. These assumptions are based on Justin Lane being located near transit and a less urban (but not suburban) site than Health South.

- 925 sf average unit size (includes more 2-3-bed units than Health South).
- 1.4 spaces per unit of parking.
- Accommodating the street connection and small pocket park shown in the neighborhood plan and TOD plan, ftp://ftp.ci.austin.tx.us/npzd/Austingo/lamar_justin_regplan.pdf. If the road were left out, density might be higher.

The architectural concept drawings are included in Appendix D. ULI Affordability Strategic Council proposes that the site could provide 455 units (421,411 RSF of residential) and 18,622 RSF of retail space. The site would be more valuable in terms of density and affordable units provided if the new city street shown in the FLUM, TOD, and Gateway plans was not constructed. The feasibility of adding a new roadway which connects across the rail line in this location is questionable and could mire the project in additional administrative and timing hurdles if not addressed prior to the development of the site.

Financials

Although the architect's analysis of the site at Justin Lane showed an ability to place upwards of 400 units on the site, our team did not find this as attractive at this time. A 9% Tax Credit deal is limited to \$1.5MM in credits, which generally translates into enough equity for 65-100 units in the 2018 9% tax credit funding round. A number of factors go into that calculation, such as building type and parking type. Surface parking costs much less than

podium or structured parking, for example. Therefore, if a design includes surface parking, more units can typically be built under the \$1.5MM credit cap.

Financial modeling for a 9% -funded project at the site, with a mix of larger units for families, including up to 29 3-bedroom and 12 4-bedroom units, shows an ability to place 100 units on the site, surface parked, for total development costs of \$18.6MM. This can be financed with tax credit equity and debt, and a small contribution from the City of Austin GO Bond fund pool in the amount of \$1.2MM. Some scenarios would allow the project to be developed without GO Bonds. Fee waivers, for example could alleviate the need for local funds as could more robust tax credit pricing (the model used a conservative .92 cents).

In this scenario, the City of Austin could promote both affordable housing at the site and leave some open space for use by the entire neighborhood. Site plans have not been developed, but it does seem possible to use only a portion of the site for housing while leaving the remainder for open space and connectivity to the rail station.

A 4% transaction with many more units at this site was not found to be viable at this time. We modeled 408 units, with a significant number of 3 and 4-bedroom units present. The total development costs were projected at more than \$80MM with a gap (after equity raised and debt) at more than \$30MM. This was a cursory analysis and clearly there are ways to change the unit mix, income levels served and building assumptions to lower the gap. However, initial indications showed that a pure 4% bond transaction at this site is not desirable. A mixed-income project at the higher density (408) units may be viable but would require additional analysis.

SUMMARY

The ULI Austin Affordability Strategic Council has identified Affordable and Mixed Income development on Government land as a key initiative to impact Austin's affordability. The five initial sites identified by the City of Austin Office of Real Estate Services are great opportunities for Affordable Housing development. Through analysis, the Affordability Strategic Council has ranked these five sites in decreasing order of impact opportunity as:

1. Health South
2. Justin Lane
3. Home Depot/Chrysler
4. McKalla
5. Winnebago

Initial architectural concept unit counts, and associated financials have been provided for Health South and Justin Lane. The availability of land for Affordable Housing development has a significant impact on the viability of such projects and with these parcels of land, the city has the opportunity to move such projects forward. The ULI Affordability Strategic Council is available to review these findings with staff or council and is available to answer any questions.

APPENDIX A – BRIEF EXPLANATION OF AFFORDABLE HOUSING FINANCE

Overview

The LIHTC program is the number one source of funding for affordable housing in the United States. It is a program authorized under the US Treasury Department and IRS Code and provides tax credits to corporations in exchange for their cash investment in affordable housing development. The program is administered at the state level by the Texas Department of Housing and Community Affairs. There are two types of credits – 9% credits (aka “competitive” tax credits) and 4% credits. For our purposes here, we will consider the 4% credits “unlimited” each year – meaning that if a project would like to use 4% credits, it will obtain an allocation of these credits, assuming the project meets threshold criteria for the program.

Competitive tax credits, or 9% tax credits, are limited. Each year, the IRS provides an allocation of credits to each state based on demographic factors such as population, income and housing need. The State of Texas has one of the largest allocations in the country and receives about \$60MM per year to be used across the state.

Texas divides its allocation among 13 regions (geographic areas) and 26 sub regions (urban or rural). Austin is located in Region 7 Urban and receives an allocation each year that translates into 3-4 Tax Credit Projects. It is important to note that a single project under Texas’ 9% program rules may receive a maximum award of \$1.5MM in credits. However, an allocation of credits is good for 10 years, meaning a \$1.5MM award is actually worth \$15MM ($\$1,5\text{MM} \times 10 \text{ years} = \15MM) in potential sources to the proposed project.

How the Financing Works

A project with an award of credits sells that award to an investor at a discount. Pricing might be anywhere from .86 cents to .98 cents per tax credit dollar. This brings equity, *that does not have to be repaid*, into the project. In turn, this allows the developer to reduce the amount of debt (mortgage financing) on the project. In return for this equity, the developer provides units at a discounted rental rate from market rents. Specifically, to people at 60% or less of the median income and/or to households earning 50% and 30% of the median income or less under current Texas rules.

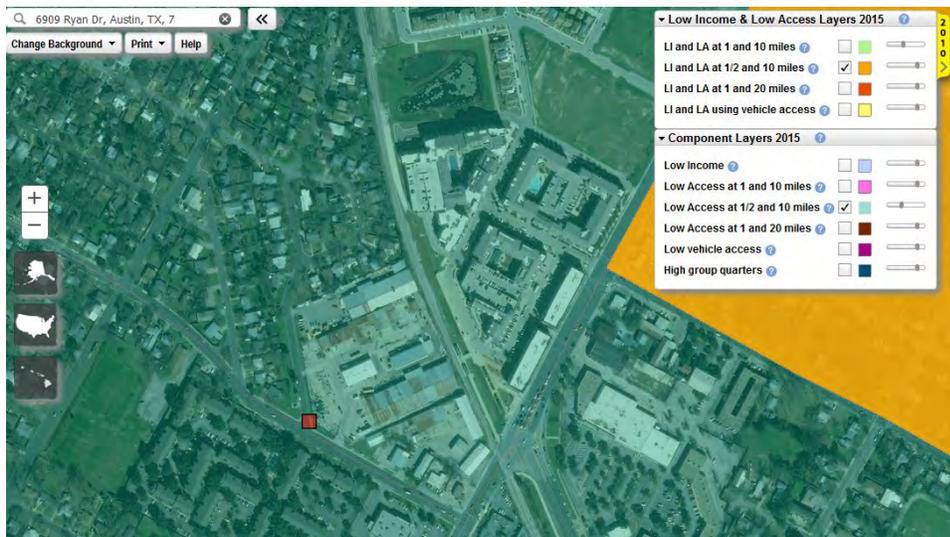
In general, a market rate development might be financed with 20% equity (cash) and 80% debt. A tax credit development is the opposite, with 80% of the costs financed by equity and 20% by debt. Finally, gap funding is also often required to make a tax credit it deals “whole” because the restricted rents do not support higher debt and credits per project are limited by TDHCA. General Obligation Bonds (GO Bonds) provides gap funding on most Affordable Housing projects.

APPENDIX B – DETAILED ANALYSIS OF FOOD SOURCE BY PROPERTY

Justin Lane - 6909 Ryan Drive is in Census tract 48453001504.

This tract is scored as **low-access (LA) at 1/2 mile** area – this means at least 500 people or 33% of the population lives farther than 1/2 mile (urban) from the nearest supermarket. The tract is green in the picture below. The red square marks the property site address.

Approximately 1,200 feet from a **low-income (LI) and low-access (LA) at 1/2 mile tract** (census tract 48453001804) – this means that in addition to the criteria above (500 people or 33% of population farther than 1/2 mile from supermarket) the census tract also has either 20% poverty or median family income less than 80% of median family income for the state or metropolitan area. This tract has a 35.3% poverty rate. This tract is yellow/orange in the picture below.



**Note: Screenshots all at same scale*

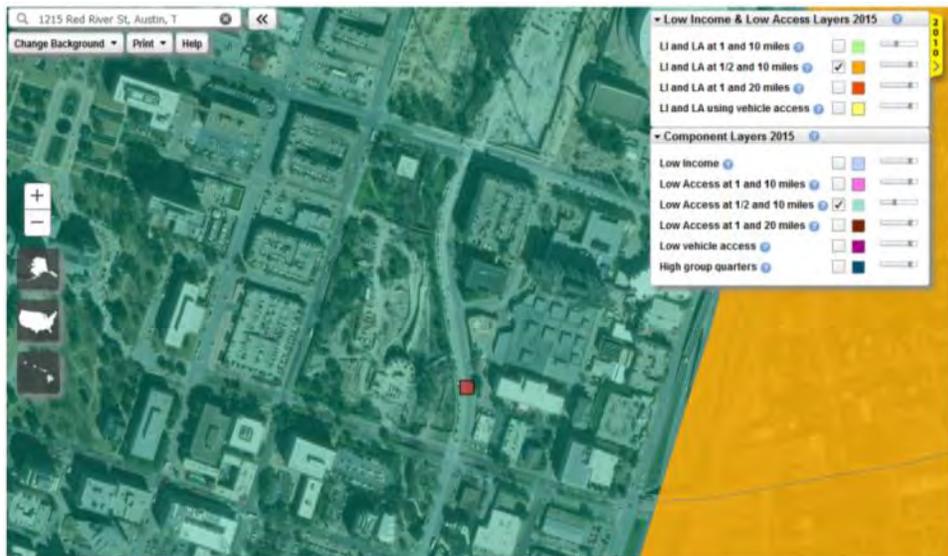
HealthSouth - 1215 Red River is in Census Tract 48453001100.

This tract is scored as **low-access (LA) at 1/2 mile** area – this means at least 500 people or 33% of the population lives farther than 1/2 mile (urban) from the nearest supermarket. The tract is green in the picture below. The red square marks the property site address.

Approximately 800 feet (across I-35) from a **low-income (LI) and low-access (LA) at 1/2 mile tract** (census tract 48453000803) – this means that in addition to the criteria above (500 people or 33% of population farther than 1/2 mile from supermarket) the census tract also has either 20% poverty or median family income less than 80% of median family income for the state or metropolitan area. This tract only has 16% poverty rate but lower than 80% median family income. This tract is included as yellow/orange in the picture below.

Approximately 950 feet (across I-35) from a **low-income (LI) and low-access (LA) at 1/2 mile tract** (census tract 48453000804) – this means that in addition to the criteria above (500 people or 33% of population farther than 1/2 mile from supermarket) the census tract also has either 20% poverty or median family income less than 80% of median family income for the state or metropolitan area. This tract has 48% poverty rate. This tract is included as yellow/orange in the picture below.

Approximately 1200 feet (across I-35) from a **low-income (LI) and low-access (LA) at 1/2 mile tract** (census tract 48453000901) – this means that in addition to the criteria above (500 people or 33% of population farther than 1/2 mile from supermarket) the census tract also has either 20% poverty or median family income less than 80% of median family income for the state or metropolitan area. This tract has 20.1% poverty rate. This tract is included as yellow/orange in the picture below.



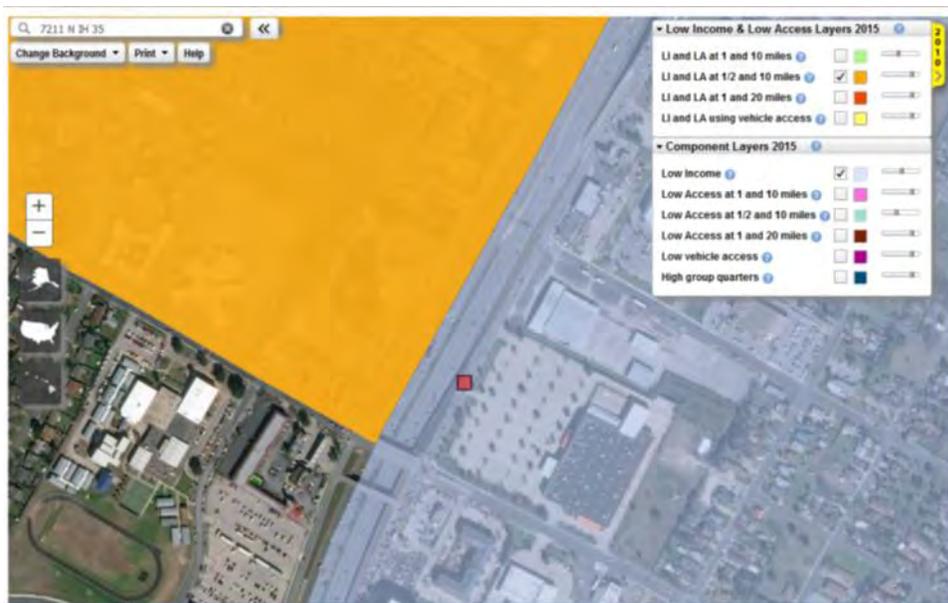
***Note:** Screenshots all at same scale

Home Depot/Chrysler - 7211 N IH 35 is in Census Tract 48453001812

No food access flag for this tract. Though low-income (see below) grocery availability is good.

Blue overlay below shows that the site tract is a **low-income tract** with poverty rate at 37%. The red square marks the property site address.

Approximately 250 feet (across I-35) from a **low-income (LI) and low-access (LA) at 1/2 mile tract** (census tract 48453001804) – this means that in addition to the criteria above (500 people or 33% of population farther than 1/2 mile from supermarket) the census tract also has either 20% poverty or median family income less than 80% of median family income for the state or metropolitan area. This adjacent tract has a 35.3% poverty rate. This tract is shown as yellow/orange in the picture below.

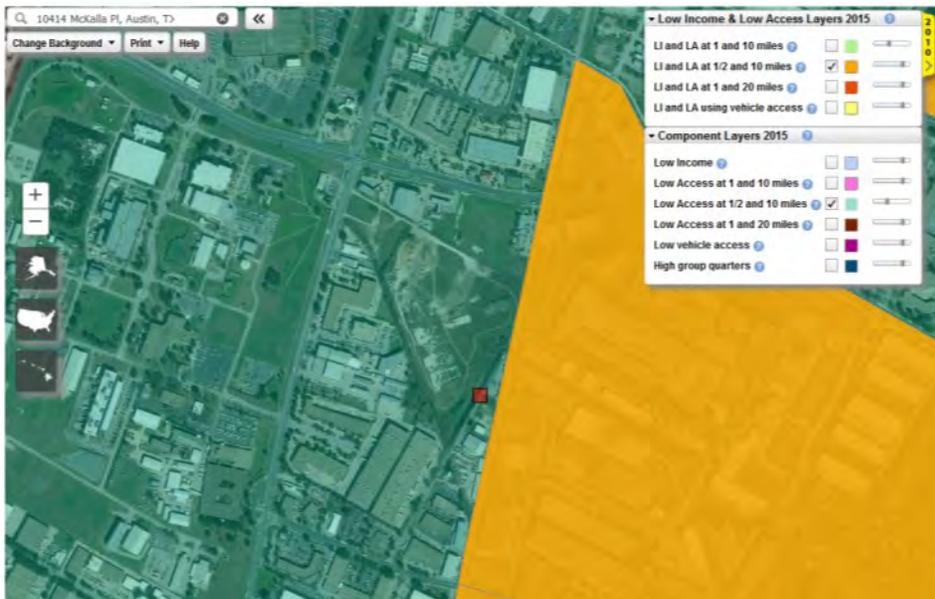


***Note:** Screenshots all at same scale

McKalla - 10414 McKalla Place is in Census Tract 48453001849.

This tract is scored as **low-access (LA) at 1/2 mile** – this means at least 500 people or 33% of the population in the tract lives farther than 1/2 mile (urban) from the nearest supermarket. The tract is green in the picture below. The red square marks the property site address.

Approximately 150 feet from a **low-income (LI) and low-access (LA) at 1/2 mile tract** (census tract 48453001821). This means that in addition to the criteria above (500 people or 33% of population farther than 1/2 mile from supermarket) the tract also has either 20% poverty or median family income less than 80% of median family income for the state or metropolitan area. This adjacent tract has a 24% poverty rate. This tract is shown as yellow/orange in the picture below.



**Note: Screenshots all at same scale*

Winnebago - 4711 Winnebago Lane is in Census Tract 48453002431.

No food access flag for this tract. Though low-income (see below) grocery availability is good.

Blue overlay below shows that the site tract is a **low-income tract** with poverty rate at 22.1%. The red square marks the property site address.

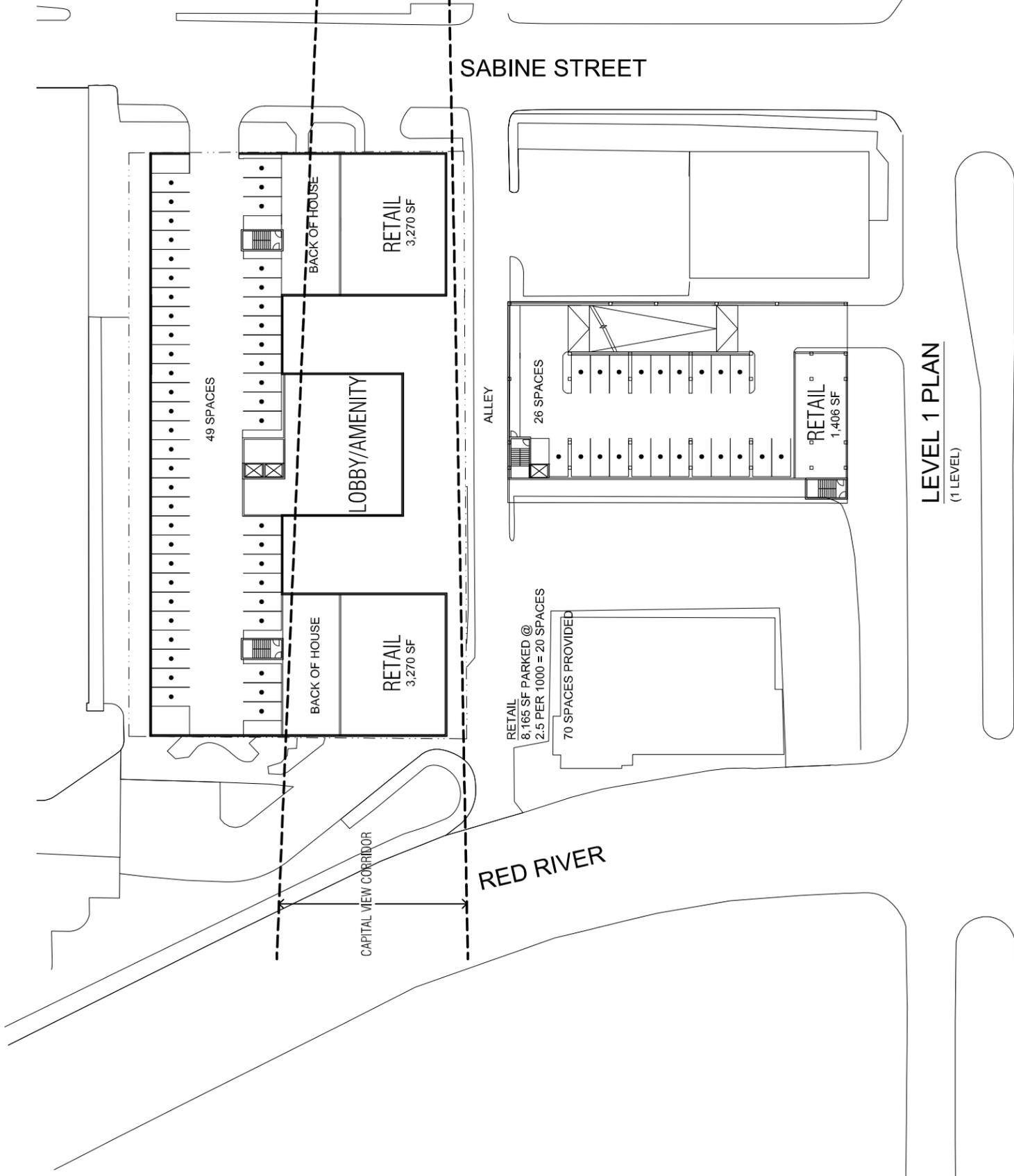
Approximately 1300 feet from a **low-income (LI) and low-access (LA) at ½ mile** tract (census tract 48453002411). This means that in addition to the criteria above (500 people or 33% of population farther than ½ mile from supermarket) the tract also has either 20% poverty or median family income less than 80% of median family income for the state or metropolitan area. This adjacent tract has a 41.5% poverty rate. This tract is included as yellow/orange in the picture below.

Approximately 1300 feet from a **low-income (LI) and low-access (LA) at ½ mile** tract (census tract 48453002413). This means that in addition to the criteria above (500 people or 33% of population farther than ½ mile from supermarket) the tract also has either 20% poverty or median family income less than 80% of median family income for the state or metropolitan area. This adjacent tract has a 48% poverty rate. This tract is included as yellow/orange in the picture below.

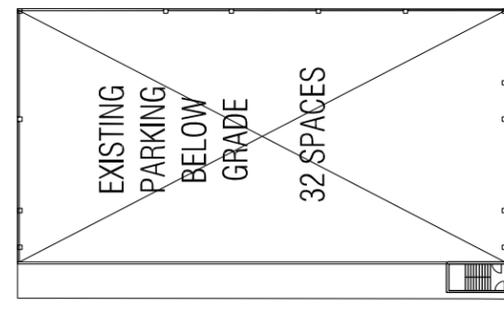


***Note:** Screenshots all at same scale

*SITE IS LOCATED WITHIN CAPITAL VIEW CORRIDOR, WHICH IS INDICATED ON THE PLANS. HEIGHT CAPPED @ 65'



PROJECT SUMMARY:
 10 LEVELS RESIDENTIAL/RETAIL
 ~168,700 SF TOTAL RESIDENTIAL
 ~8,165 SF TOTAL RETAIL
 207 UNITS @ 800 SF EA.
 1 SPACE PER UNIT
 207 SPACES REQ.
 20 RETAIL PARKING SPACES REQ.
 227 SPACES REQUIRED
 7 LEVELS PARKING
 (2 EXISTING LEVELS)
 232 SPACES TOTAL PROVIDED



EXISTING LEVEL BELOW GRADE
 (1 LEVEL)

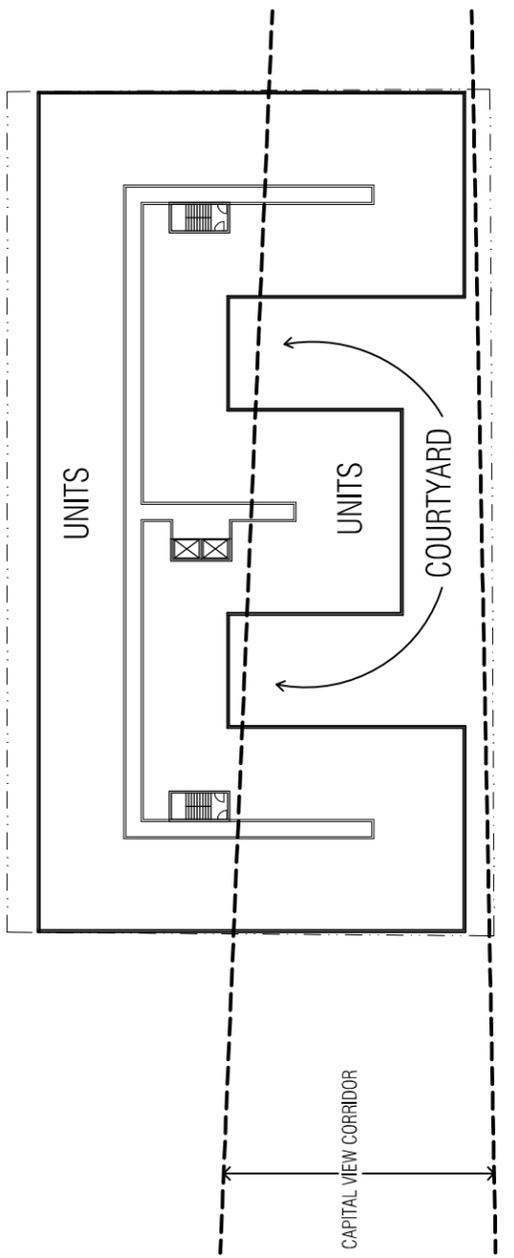
LEVEL 1 PLAN
 (1 LEVEL)

TYPICAL PLANS

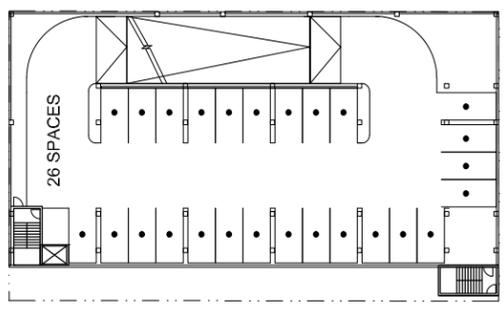
SCALE : 1" = 60' CONCEPT DRAWING

*SITE IS LOCATED WITHIN CAPITAL VIEW CORRIDOR, WHICH IS INDICATED ON THE PLANS. HEIGHT CAPPED @ 65'

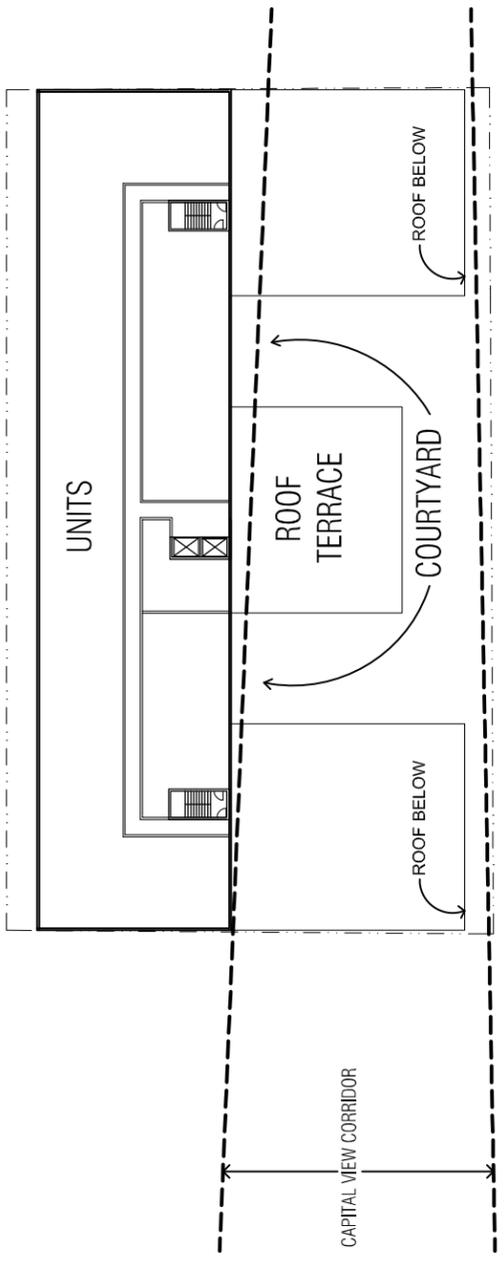
APPENDIX C – HEALTH SOUTH ARCHITECTURAL CONCEPT



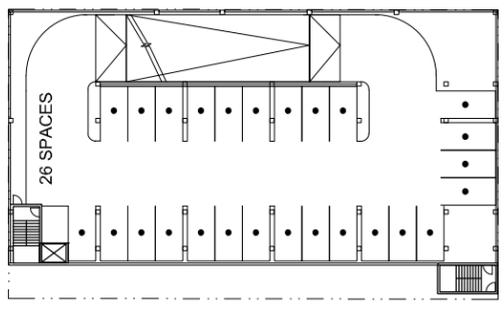
UNITS
26,857 SF PER LEVEL
33 UNITS @ 800 AVE SIZE
PERKED @ 1 PER UNIT
33 SPACES REQ. PER LEVEL
26 SPACES PROVIDED PER LEVEL



LEVEL 2 - LEVEL 4 TYPICAL PLAN:
(3 LEVELS)



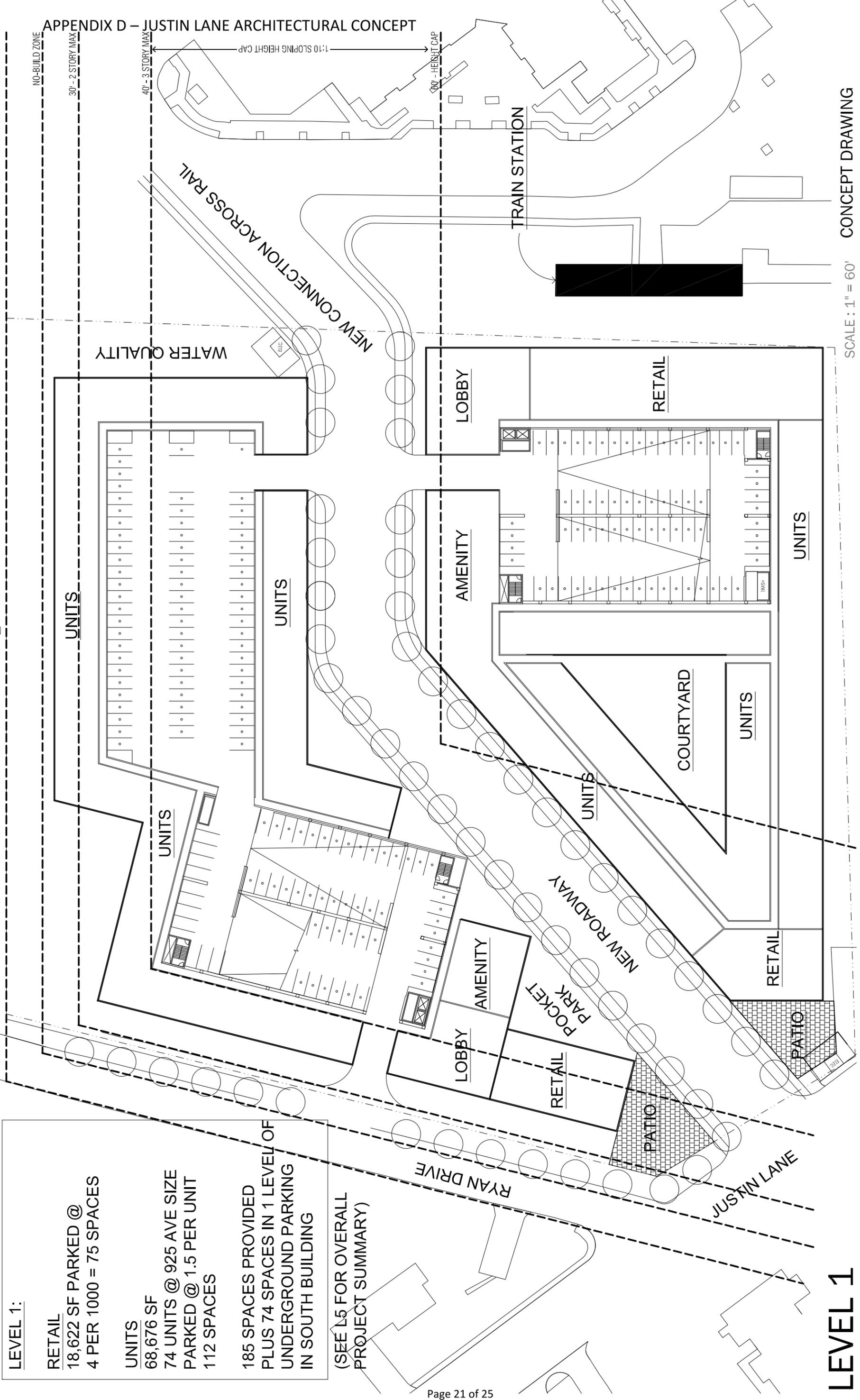
UNITS
14,692 SF PER LEVEL
18 UNITS @ 800 AVE SIZE
PARKED @ 1 PER UNIT
18 SPACES REQ. PER LEVEL
26 SPACES PROVIDED ON LEVEL 5,
NO PARKING ABOVE LEVEL 5



LEVEL 5 - LEVEL 10 TYPICAL PLAN:
(6 LEVELS, PARKING GARAGE STOPS AT LEVEL 5)

TYPICAL PLANS

SCALE : 1" = 60' CONCEPT DRAWING



LEVEL 1:

RETAIL
18,622 SF PARKED @
4 PER 1000 = 75 SPACES

UNITS
68,676 SF
74 UNITS @ 925 AVE SIZE
PARKED @ 1.5 PER UNIT
112 SPACES

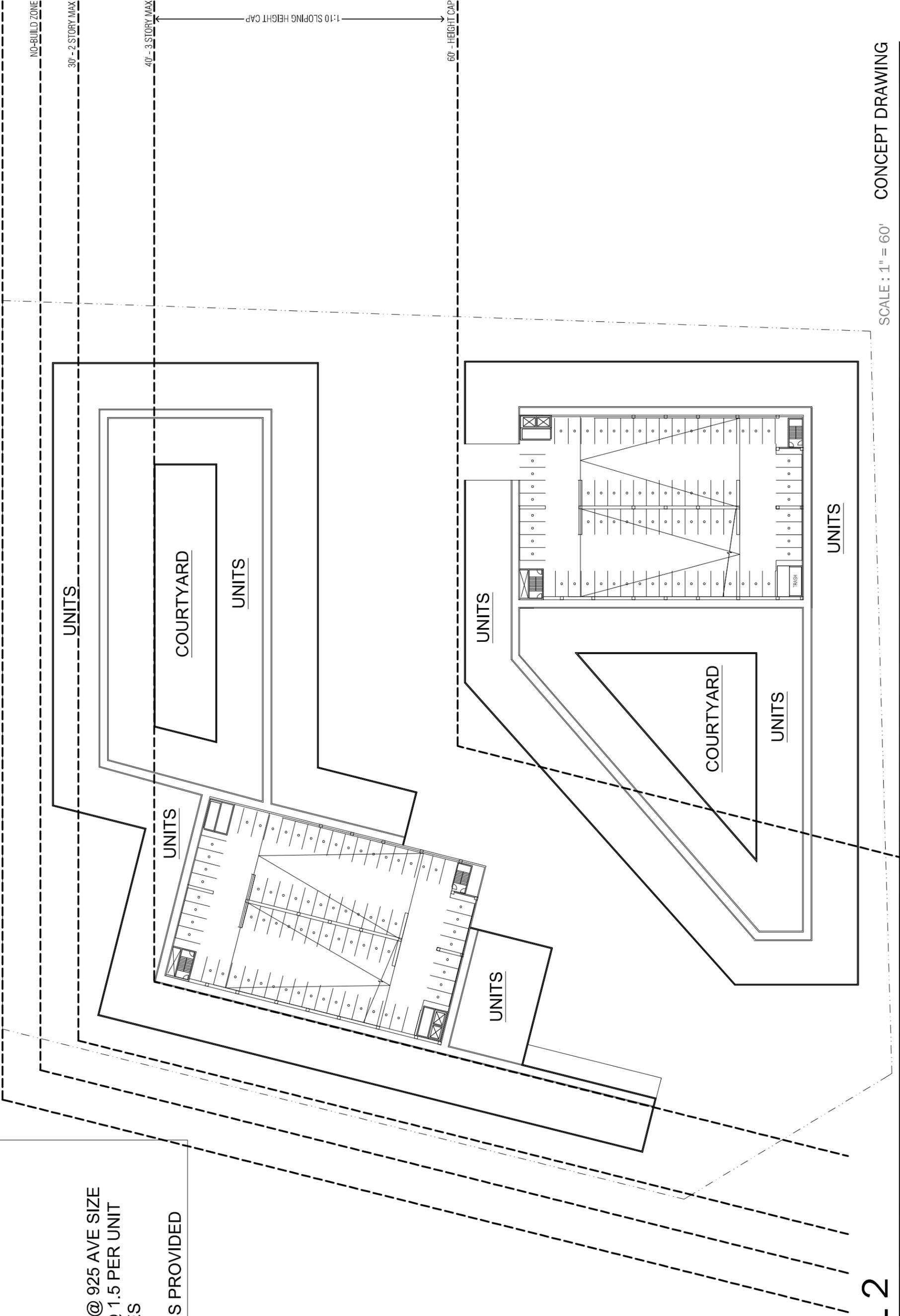
185 SPACES PROVIDED
PLUS 74 SPACES IN 1 LEVEL OF
UNDERGROUND PARKING
IN SOUTH BUILDING

(SEE L5 FOR OVERALL
PROJECT SUMMARY)

LEVEL 1

SCALE: 1" = 60'

CONCEPT DRAWING



LEVEL 2:

UNITS

127,981 SF
 137 UNITS @ 925 AVE SIZE
 PARKED @ 1.5 PER UNIT
 205 SPACES

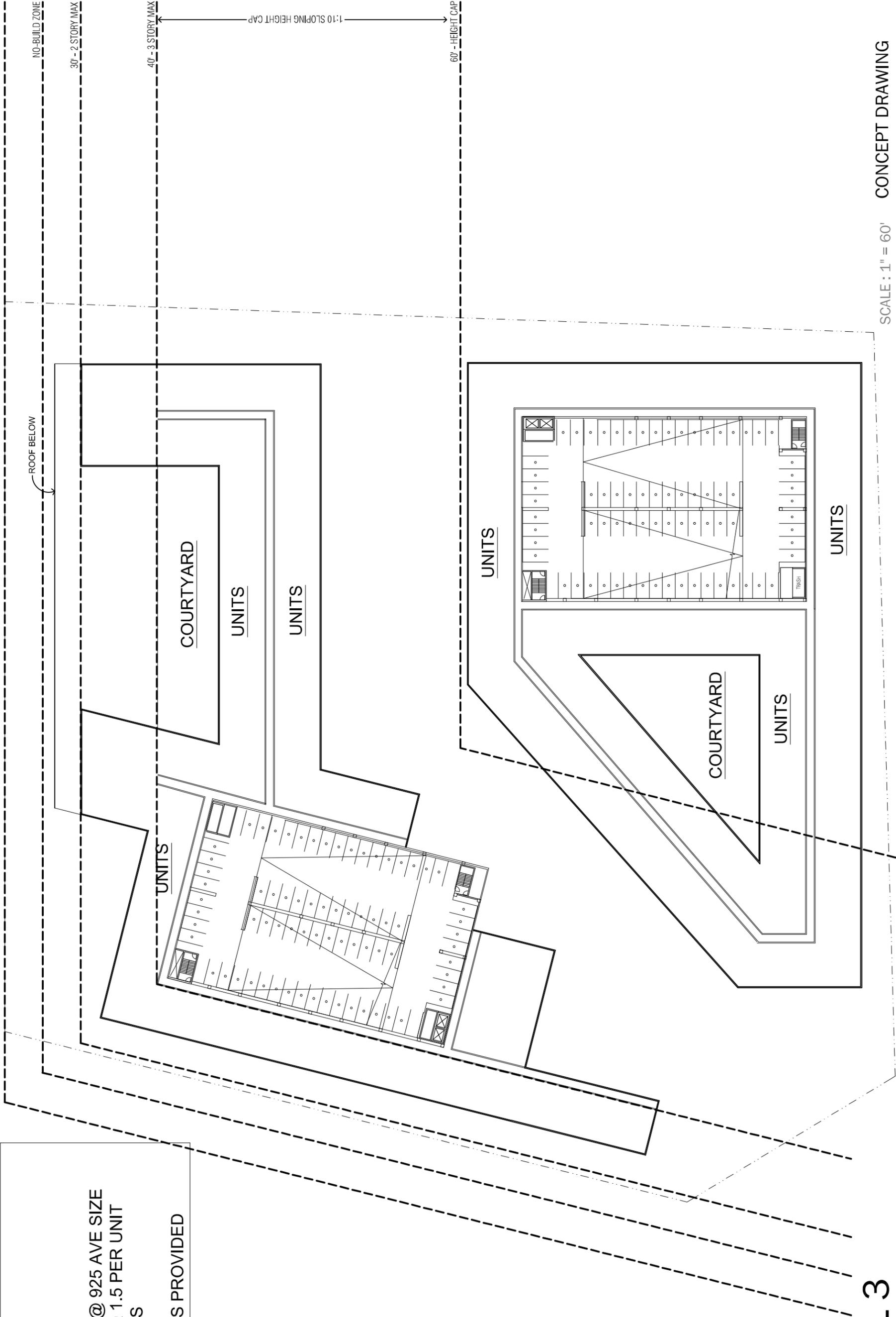
146 SPACES PROVIDED

SCALE: 1" = 60'

CONCEPT DRAWING

LEVEL 2

APPENDIX D – JUSTIN LANE ARCHITECTURAL CONCEPT



LEVEL 3:

UNITS

116,582 SF

125 UNITS @ 925 AVE SIZE

PARKED @ 1.5 PER UNIT

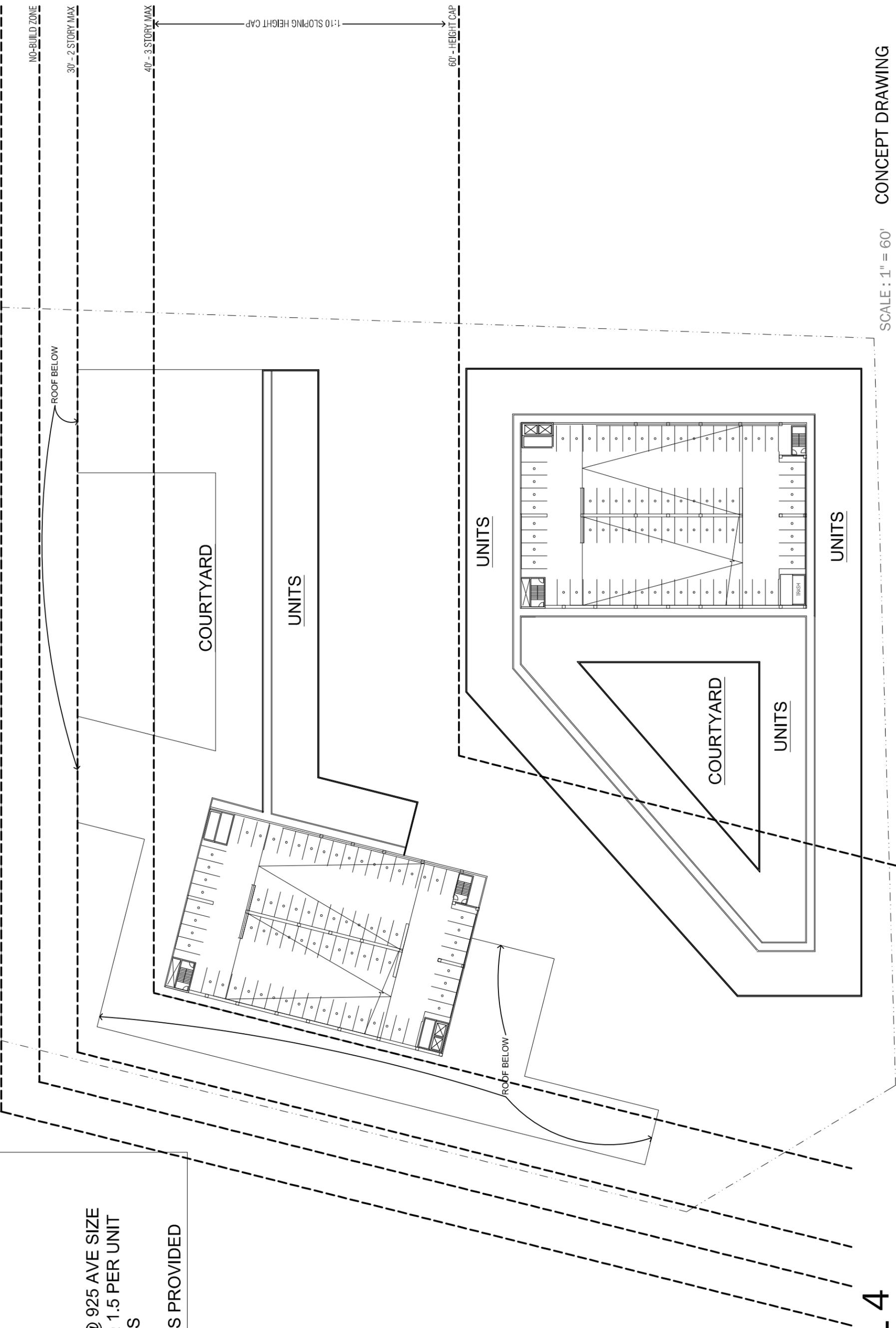
188 SPACES

146 SPACES PROVIDED

LEVEL 3

SCALE: 1" = 60' CONCEPT DRAWING

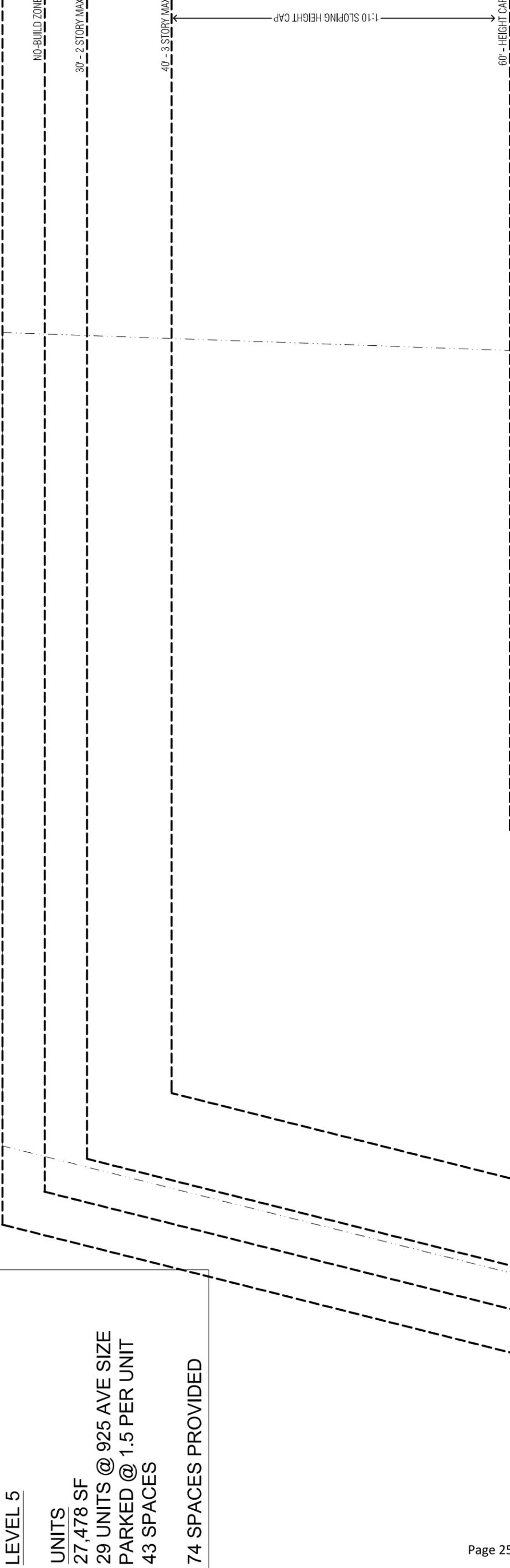
APPENDIX D – JUSTIN LANE ARCHITECTURAL CONCEPT



LEVEL 4
UNITS
 80,695 SF
 87 UNITS @ 925 AVE SIZE
 PARKED @ 1.5 PER UNIT
 130 SPACES
 146 SPACES PROVIDED

LEVEL 4

SCALE : 1" = 60' CONCEPT DRAWING



LEVEL 5

UNITS

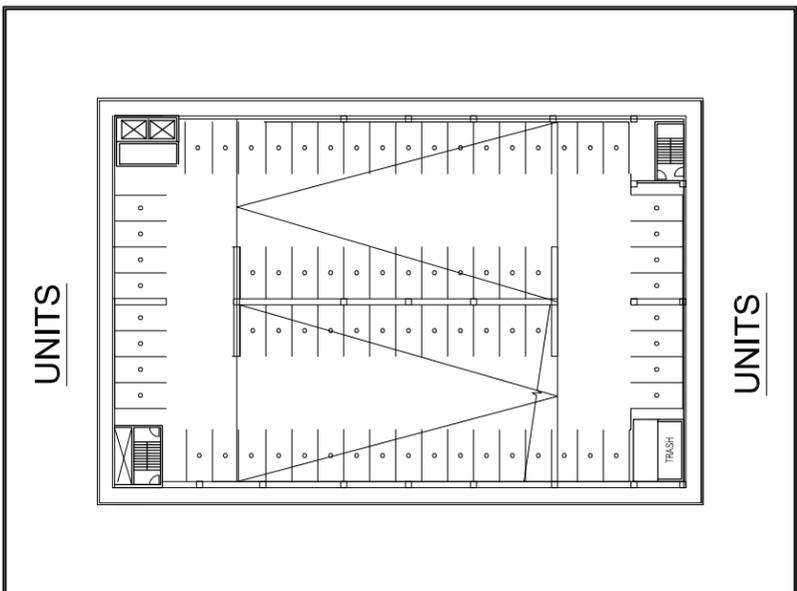
27,478 SF

29 UNITS @ 925 AVE SIZE

PARKED @ 1.5 PER UNIT

43 SPACES

74 SPACES PROVIDED



TOTAL IN PROJECT;

RETAIL

18,622 SF PARKED @

4 PER 1000 = 75 SPACES REQ'D

UNITS

421,411 SF

455 UNITS @ 925 AVE SIZE

PARKED @ 1.5 PER UNIT

683 SPACES REQ'D

758 TOTAL SPACES REQUIRED

771 SPACES PROVIDED

LEVEL 5

SCALE : 1" = 60' CONCEPT DRAWING

EXHIBIT 13

Future Realignment of Red River Street

- A. Request for Council Action (RCA) 20190619-078 authorizing interlocal agreement between City and Central Health to construct and realign Red River Street
- B. RCA 20190619-078 Backup - Statement of Terms of Proposed Interlocal Agreement
- C. RCA 20190619-078 Backup - Red River Realignment Opportunity concept map
- D. Select engineering plans for Red River Realignment adjacent to project site



Recommendation for Action

File #: 19-2294, **Agenda Item #:** 78.

6/19/2019

Posting Language

Authorize negotiation and execution of an interlocal agreement with Travis County Healthcare District doing business as Central Health to construct and realign Red River Street to its historic alignment between 12th and 15th Streets and transition existing Red River Street to a plaza/pedestrian-oriented amenity.

Lead Department

Austin Transportation Department

Fiscal Note

No fiscal impact is anticipated at this time.

For More Information:

Robert Spillar, 512-974-2488; Paul Terranova, 512-974-7163; Gilda Powers, 512-974-7092

Additional Backup Information:

Central Health will fund and construct a new alignment of Red River Street between 12th and 15th Streets as part of the Health District's project to redevelop its campus.

The existing Red River alignment between 12th and 15th Street will be reconstructed as a public plaza, limiting vehicle access for authorized purposes only, once the entire new Red River Street is open and complete. Development activities by Central Health and other area projects, are anticipated to achieve the realignment of River Street and the decommissioning and conversion of the existing Red River Street into the future pedestrian plaza.

Additional information related to the terms of the proposed agreement will be attached prior to Council consideration.

ITEM 78 PROPOSED STAFF REVISED AND AMENDED TERM
SHEET 6/20/19

**STATEMENT OF TERMS OF PROPOSED INTERLOCAL AGREEMENT BETWEEN
CITY OF AUSTIN AND TRAVIS COUNTY HEALTHCARE DISTRICT D/B/A CENTRAL HEALTH (CH)
REGARDING THE
ALIGNMENT OF RED RIVER STREET**

1. ROW, Design, and Construction for New Red River.

- a. CH would design and construct Red River Street from 15th Street to 12th Street (the “**New Red River**”), including, without limitation, any storm water detention, water quality, and drainage infrastructure directly required therefor) (the “**New Red River Project**”) on behalf of the City.
- b. CH would contribute to the City fee simple title in and to a portion of the CH property (the “**Conveyance To The City**”) for the realignment of Red River Street and fund at CH’s expense all the costs of design and construction of the portion of the New Red River Project through CH’s property (thus, from 15th Street to 13th Street)(the “**New Red River Central Health Segment**”). In the Conveyance To The City, the parties agree that CH would reserve the right to place parking structures, water quality and detention infrastructure, and other subsurface structures and utilities that do not impede use of the conveyed property for New Red River.
- c. CH would front the costs of design and construction of New Red River from 13th Street to 12th Street (the “**New Red River City Segment**”), but the City would reimburse CH for such costs by one or more of the following means: fee simple conveyance of a portion of the Red River Right-of-Way that exists today between 14th Street and 15th Street (after determining the value of such portion under applicable standard City procedures), cash, credit toward any traffic mitigation CH may owe, or other consideration agreeable to the parties and approved by the Council and CH; provided that the total reimbursement to CH will not exceed the approved total costs of design and construction of New Red River minus any traffic mitigation, rough proportionality, or other transportation fees CH may owe in connection with the redevelopment of the CH Property. If any land is conveyed to CH as consideration under the Agreement, it will be identified by a metes and bounds description and sketch procured at CH’s expense. (Note: Prior to any conveyance of exiting Red River Right-of-Way or reimbursement of cash to CH, City Staff will return to Council for approval of the financial transaction.)

- d. The City and CH believe various subsurface utilities may currently exist within the existing Red River Right-of-Way (the "Existing ROW"). If the City conveys any portion of said Existing ROW to CH, the City would terminate any utility and other easements held by the City within the vacated area if such easements are not in use at the time the Interlocal Agreement is executed. However, any utilities actually existing within the vacated area would remain in place and the City will retain easements for the utilities unless and until relocation thereof is approved by the City and performed by CH or CH's designee at CH's or its Designee's sole cost and expense, and all easements encumbering the vacated area in which said utilities are located would not be terminated unless and until said utilities are either abandoned by the City or relocated.
- e. In the event the City conveys to CH a portion of the Existing ROW, any ongoing vehicular access to the City-retained Right-of-Way adjacent to the vacated area would be restricted to: (i) emergency vehicle access during emergencies, (ii) bike access, (iii) access by non-motorized vehicles, (iv) pedestrian access, and (v) access to and from the CH property. Access to and from the CH property from and to this 25-foot segment of the existing Red River ROW would be left-in/right-out only and would terminate upon completion and opening of New Red River so long as access from the CH property to New Red River is created as agreed by the parties.
- f. CH and the City would work together to establish a project schedule for the New Red River Project. Both parties acknowledge that time is of the essence and shall cooperate and coordinate to expedite Project completion.

2. Utilities.

- a. Except as otherwise set forth herein, the parties are assuming that utilities currently in place in the existing Red River ROW will remain in place and that any such utilities that need to be relocated or redesigned for the benefit of CH will be relocated at CH's expense. Likewise, the City or successor owner of the Health South property shall be solely responsible for the costs of relocation or redesign of any and all utilities within the existing Red River ROW necessary for or benefitting the operation of or redevelopment of the Health South property.
- b. CH would be responsible for providing water quality and detention infrastructure resulting from the redevelopment of the CH property, but CH and the City agree to coordinate and work together to uniformly construct such infrastructure for the entire vicinity to benefit the City, Waller Creek Conservancy, and CH, with each party paying its pro rata share of such infrastructure but with the parties working to design such infrastructure in the most efficient way possible and without duplicating efforts and use of public dollars. CH also agrees to coordinate with the City to size infrastructure and utilities constructed by CH to accommodate detention and water quality capable of serving the Health South property, so long as the City is able to determine and articulate to CH the need for same within the same timeframe as that in which CH's design of New

Red River and redevelopment of CH's property are occurring. CH would have no obligation to delay the design and construction of New Red River or of any project on CH property in order to wait to coordinate with the City in this regard.

- c. CH would work to accommodate all water quality and detention infrastructure necessitated by the redevelopment of the CH property on CH property, but the City will consider alternative proposals from CH for accommodating such infrastructure in City property, including, without limitation, beneath the existing Red River ROW. The parties acknowledge that such alternatives may include above-ground water quality and detention infrastructure in the form of beautification amenities such as rain gardens and water features if beneficial to Waller Creek Conservancy's programming of the existing Red River ROW. Both parties acknowledge that there is no guarantee that such beautification amenities used as detention infrastructure are possible until fully agreed to by both parties.

4. Design and Construction of New Red River.

- a. CH would comply with Great Streets requirements to the extent possible given the existing buildings located on the CH Property and as modified to match the street design in place along Red River Street from 15th Street to 18th Street.
- b. CH would construct the New Red River of pavement suitable for heavy vehicles and transit vehicles so that New Red River is eligible to become a transit corridor in future years if needed.
- c. The City would promptly provide rights of entry, temporary construction easements, and construction staging easements to CH as reasonably necessary for construction of New Red River.
- d. The parties agree that the existing Red River Street would remain operational until New Red River is constructed, and the parties would coordinate the timing of property transfers accordingly.
- e. The City would allow CH vehicular access to New Red River from at least Blocks 164, 165, and Block 168. The City would consider – after CH reasonably explores access alternatives for Block 167 – access to New Red River from Block 167 as well; however, any and all access points and driveways would have to be in compliance with the City of Austin Transportation Criteria Manual in effect as of the date the Interlocal Agreement is executed. The City would allow, if CH so elects in its sole discretion, the access point for each Block to be constructed in compliance with the Transportation Criteria Manual in effect at the time the application for site development permit for each Block is submitted to the City for review.

- f. CH would design New Red River in a way that accommodates future appurtenances that may be requested by Capital Metro to the extent possible. The City would facilitate discussion among the City, CH, and Capital Metro to discuss and decide upon these appurtenances within a timeframe that does not delay the expeditious construction of New Red River.

5. Community Benefit.

- a. The City would acknowledge CH's payment for the New Red River Central Health Segment and advancing of funds for the New Red River City Segment, including funds expended prior to the execution of the ILA as a significant community benefit that should be considered in future negotiations with CH. **[REVISED PER MOTION TO AMEND ADOPTED BY COUNCIL 6/19/19]**

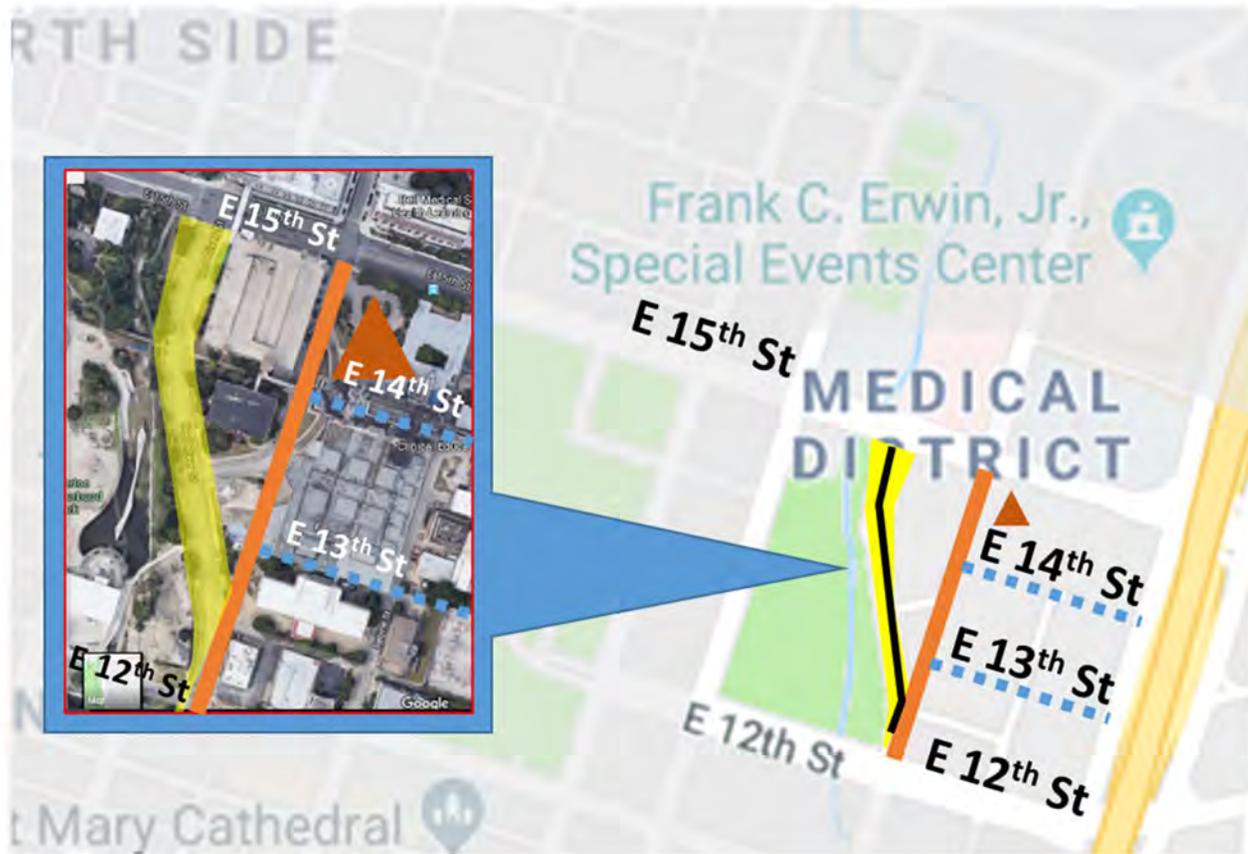
6. Development Review.

To the extent possible the City would work with CH to facilitate the review of future development of the site by establishing a condensed timeline for permit review for the future plans and permit applications needed to implement design and construction of the New Red River and the redevelopment of the CH property.

7. Health South/Downtown Central Plant Utility Reimbursement.

CH would provide the City with invoices for the utility services CH provided to the City's Health South Property from 1/1/18 through 3/31/19, which services include chilled water and steam utility service, maintenance, labor, etc., provided by CH to operate the Downtown Central Plant on the City's behalf. Within 3 months from the date an agreement setting forth all of the above is approved by the Council, the City would reimburse CH said utility service or, if agreed to by the parties, the parties would include the amount due by the City to CH as a part of the community benefit offered by CH in connection with the Agreement. (Note: prior to conveyance, City Staff will return to Council for approval of the financial transaction).

Red River Realignment Opportunity (Central Health Campus)



Legend

- Existing Red River Alignment
- New Alignment Opportunity Red River
- Future Grid Connection Opportunities
- New UT Research Facility
- Potential Public Re-Use of existing Red River Right-of-way

EXHIBIT 14

UT News Release “Demolition, Redevelopment of Downtown Health District Property Will Fund Local Health Care Needs,” August 8, 2019

UT NEWS

HEALTH & WELLNESS

Aug 08, 2019

Demolition, Redevelopment of Downtown Health District Property Will Fund Local Health Care Needs

AUSTIN, Texas — Demolition will begin soon of a vacant professional office building near the former University Medical Center Brackenridge — a major milestone in the long-term redevelopment of Central Health’s downtown property that will leverage a partnership with The University of Texas at Austin to create new revenue for local health care needs.

The 2033 Higher Education Development Foundation, a local nonprofit created to benefit UT Austin, is Central Health’s first developer to advance a redevelopment project. The foundation’s 99-year ground lease with Central Health for Blocks 164 and 167 will generate revenue to fund health care for people with low incomes in Travis County – and help pay to expand services to underserved areas.

Central Health will receive more than \$460 million over the life of the ground lease for Blocks 164 and 167; the first payment for Block 164 was made in March. The ground lease provides for annual escalations as well as market rate adjustments throughout the term of the lease.

“This redevelopment effort is part of a health care transformation taking place in Austin based on an unprecedented partnership between a local health district, a research university and a hospital system,” said UT Austin President Gregory L. Fenves. “It’s unlike anything else taking place across the nation, and today is a milestone for our partnership.”

The work includes demolition on Block 164, a 1.2-acre site along Red River Street where an existing three-story building will be replaced by a new 17-story office building. It will be the flagship of Austin’s emerging Innovation District by Capital City Innovation, an initiative of Central Health, UT Austin and Ascension Seton, with support from the Downtown Austin Alliance and Opportunity Austin. Companies, nonprofits and community groups will combine in the district with the goal of improving health care and creating access to jobs.



VICINITY MAP

The new structure is expected to be completed by the beginning of 2022. In addition to providing a home for transformative health care efforts, this project includes the proposed straightening of Red River Street through the downtown property and will increase public access to Waller Creek. The building will house some of UT's Dell Medical School operations as well as future strategic partners, who will team up with faculty members and students to rethink health and health care.

"It's exciting to see activity on Central Health's property because it means we'll soon be generating even more lease revenue," said Guadalupe Zamora, M.D., a long-time Austin physician and Central Health board chairperson. "We're redeveloping this property with the sole purpose of funding our mission of caring for people with low income. We're grateful to have partners like the 2033 Fund, Dell Med and UT Austin to make this happen."

Central Health, Travis County's health care district, owns the 14.3-acre property that was the former University Medical Center Brackenridge. That facility closed in 2017 when Ascension Seton, another strategic partner in improving local health care, moved

hospital operations across the street to the Dell Seton Medical Center at The University of Texas, which is adjacent to the medical school.

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<https://news.utexas.edu/2019/08/08/demolition-redevelopment-of-downtown-health-district-property-will-fund-local-health-care-needs/>





EXHIBIT 15

TEMPLATE FOR PROJECT FINANCIAL PRO FORMA

Offerors Must Complete the Pro Forma Included as Excel Attachment

PRO FORMA INSTRUCTIONS

GENERAL

1. The pro forma template is provided to assist respondents in organizing their financial offers and to allow the City of Austin to review proposals in the most comparable manner possible. The template reflects an "unleveraged" pro forma, meaning that it does not specifically request information regarding the amount or sources of equity and debt financing, nor the expected rates of return for individual financing partners. Rather, the template reflects the economics of the project overall, including the timing and amount of costs and revenues and the level of revenue that is foreseen for the City while yielding an appropriate return for the developers and financiers.
2. The template is set up to reflect the potential buildout within 10 years, followed by a valuation/reversion in year 10. If you believe that the project will require more than 10 years to complete, please indicate this expectation in the text of your proposal and through adjustments to the pro forma by adding columns as necessary.
3. This pro forma template is based on the concept that the Developer will be developing both the infrastructure and the buildings for this project. Even if your proposal anticipates a different role for the Developer, such as sub-leasing certain parcels to third-party developers rather than developing the buildings yourself, please reflect your best estimate regarding the building economics by showing the annual proceeds and reversion value of buildings constructed under such sub-leases.

PROJECT DESCRIPTION / ABSORPTION

1. The City anticipates that a project of this scale may be built all at once, but if phasing is anticipated, please reflect that by entering the amount of development you expect to begin construction in each year.
2. For affordable housing, please include a description of the anticipated income levels for such units in the text of your proposal. In this spreadsheet, only the number of units and their development costs and associated values (net operating income and reversion value) should be included.
3. The number of parking spaces to be built in each phase should be included in this section of the spreadsheet.
4. If you anticipate development types other than those listed on the template, please add as many rows as required and provide a brief name of such use in this spreadsheet, with more detail provided in the text of your proposal.

SOURCES OF FUNDS

1. For each type of development, please enter the anticipated Net Operating Income (NOI) in the first year of occupancy and any years thereafter. It is expected that such NOI figures will occur at least one year later than the commencement of construction shown in the "Project Description/Absorption" section of the spreadsheet. The figures in the NOI rows should reflect the cumulative NOI for all buildings in each land use category, which may include the same uses built during different years or phases of the project. For consistency among proposals, please assume that building lease rates and operating costs increase by 3% annually, thus increasing NOI by 3% annually as well. In the text of your proposal, please highlight key assumptions regarding these NOI figures, such as the assumed rent rates, operating costs, lease-up timing, etc.

2. For each type of development, please enter the expected reversion value of the building at the end of the 10-year term of this spreadsheet. This calculation does not necessarily mean that you are expected or expecting to dispose of the building at that time, but will allow each proposal to be judged on comparable terms. In the text of your proposal, please indicate how the "reversion value" was calculated, including capitalization or discount rates used.

3. For parking uses, please describe in the text of your proposal what you are assuming regarding the pricing of parking (hourly, daily, and/or monthly rates) and the operating costs per space. Again, please assume parking revenues and costs increase by 3% annually. Please also describe whether the parking costs are included in the rents to residential and/or commercial tenants, or paid separately.

4. If you are assuming that public funds would be used for any purpose, please indicate the expected source, timing, and amount on this spreadsheet, and provide more detail in the text of your proposal. Use additional rows as necessary.

5. If funding sources other than from the development itself or from public resources are anticipated, please indicate the expected source, timing, and amount on this spreadsheet, and provide more detail in the text of your proposal. Use additional rows as necessary.

USES OF FUNDS

1. Land Payments to City of Austin -- please indicate the amount and timing of any non-contingent payments for the site to the City of Austin (i.e., guaranteed irrespective of the performance of the project). In the text of your proposal, please indicate whether these payments represent a fee simple purchase, a pre-paid ground lease, or a typical ground lease spread over time and for a certain number of years.

2. Predevelopment -- please provide an estimate of the amount and timing of costs associated with predevelopment activities. In the text of your proposal, please describe the types of activities that would be included in predevelopment costs.

3. Infrastructure -- please provide an estimate of the amount and timing of costs associated with site preparation (demolition, grading, etc.) and infrastructure improvements. In the text of your proposal, describe the plan for these investments, including the character and timing of the overall site preparation and

4. Direct Building Construction -- please provide a summary figure for the annual expenditures on the construction of buildings, including the building itself and tenant improvements to be funded by the developer. Parking construction costs should also be included in these figures.

5. Indirect Costs -- please provide a summary of the amount and timing of expected indirect costs. In the text of your proposal, please describe the types of costs included in this category.

6. Developer Fee -- if the developer is seeking a fee for services (overhead, construction management, etc.) in addition to the return on investment, please indicate that amount in the spreadsheet and describe the assumptions in the text of your proposal (e.g., percent of total development costs or other metric).

7. Other -- if costs are foreseen that are not included in the categories above, please provide those figures and describe in the text of your proposal what is included in these other costs. Use additional rows as necessary

8. Inflation -- for all of these Uses of Funds, please assume that costs escalate by 3% annually to provide consistency among the proposals to be reviewed by the City.

PROJECT CASHFLOW

1. The Gross Project Cashflow figure reflects the annual and overall cashflow (revenues less costs) from the project before any performance-based distributions are made to the City or the developer. The Internal Rate of Return (IRR) calculation should reflect the overall project economics through your determined buildout with reversion value.

2. The Other Payments to City of Austin row should indicate any other payments that would accrue to the City from the project. For example, this row may include contingent payments above and beyond the "Land Payments to City of Austin" if the project is achieving certain performance thresholds for the developer's financial return. Please provide an estimate of these figures for each of the first 10 years. In the text of your proposal, please describe the source and terms of these "other" payments to the City, including for how many years they may be provided to the City.
3. The Remaining Cashflow to Developer row indicates the revenues to be retained by the developer for payment of debt service, returns on equity, etc.
4. The IRR of Developer Cashflow figure should reflect your expectation for a reasonable unleveraged rate of return for a project of this character. The preceding rows, including the payments to the City and any identified sources of subsidy in the "Sources of Funds" section should be scaled to reach the target rate of return for the developer.

EXHIBIT 15

TEMPLATE FOR PROJECT FINANCIAL PRO FORMA

Included as a separate Attachment