

SUBJECT: Authorizing the General Services Commission to sell an East Austin tract

COMMITTEE: Land and Resource Management — committee substitute recommended

VOTE: 5 ayes — Walker, Bosse, F. Brown, Hardcastle, B. Turner

0 nays

3 present, not voting — Crabb, Howard, Mowery

1 absent — Krusee

WITNESSES: For —Bernice B. Butler, Austin Revitalization Authority

Against —None

On —Cynthia J. Hill, General Services Commission

BACKGROUND: As part of its ongoing urban renewal plan for East Austin's 11th Street and 12th Street corridors, the Austin Revitalization Authority (ARA) has proposed to buy a tract of state-owned property about 2.09 acres in size, located near the east frontage road of Interstate 35. That property, the State Support Center site, currently is owned and operated by the General Services Commission.

DIGEST: HB 2949 would allow the Austin Revitalization Authority to buy a tract of land in East Austin near IH-35 from the General Services Commission at fair market value. The purchase and sale agreement would have to occur at the mutual convenience of both parties and could require other terms negotiated by both parties. Upon the sale of the state property, the General Services Commission would have to deposit the proceeds into its account.

This bill would take effect September 1, 1999.

SUPPORTERS SAY: The Austin Revitalization Authority (ARA) is a 501(c)(3) non-profit organization with significant involvement in efforts leading to the designation of the east 11th and 12th street corridors as an urban renewal area. The ARA wants to buy this state property because it is the key to the urban renewal plan to revitalize East Austin approved by the Austin City Council in January.

HB 2949 would not require the state to sell the property to the ARA within any specific time period. Because the property would be sold only at the mutual convenience of both the General Services Commission and the ARA, the legislation would not displace General Services Commission employees currently at the East 11th street location.

Because this area has been designated an urban renewal area, the state property, if it is sold, should not be open to competitive bidding. The Austin Revitalization Authority is a non-profit organization that might not be able to compete with other companies in a competitive bidding process. Development of this site would guarantee appropriate redevelopment of the community of East Austin and ensure successful completion of the renewal plan.

OPPONENTS
SAY:

The state should not require the General Service Commission to make this property available for sale to only one entity. This property is highly desirable downtown real estate. If the state decides to sell this property, the sale should be conducted through a competitive bidding process. The bill should be amended to allow the Austin Revitalization Authority to have the right of first refusal in a bidding process. That would allow the state to sell the property to another bidder if the Austin Revitalization Authority decided not to buy the property.

NOTES:

The committee substitute made technical changes to the bill.