



City of San Antonio

Agenda Memorandum

File Number: 15-1226

Agenda Item Number: 19.

Agenda Date: 5/21/2015

In Control: City Council A Session

DEPARTMENT: Transportation & Capital Improvements

DEPARTMENT HEAD: Mike Frisbie, P.E.

COUNCIL DISTRICTS IMPACTED: Council District 5

SUBJECT:

Funding Agreement: Blue Star Arts Complex Project

SUMMARY:

An Ordinance for the Blue Star Arts Complex Capital Expansion Master Plan, a 2012-2017 Bond Program project located in Council District 1, authorizing the execution of a funding agreement with the Contemporary Art for San Antonio d/b/a Blue Star Contemporary Art Center in an amount not to exceed \$250,000.00 to execute improvement related to the Blue Street Capital Expansion Master Plan; and authorizing the execution of a 20 year sublease and leaseback of an 11,000 square foot facility located at 116 Blue Star at a rate of \$1.00 per year for the Capital Expansion Master Plan at the Blue Star Arts Complex.

BACKGROUND INFORMATION:

On May 12, 2012, San Antonio voters approved the 2012-2017 Bond Program, consisting of five propositions totaling \$596 million. The Bond Program funds will be used on various capital improvement projects to address community infrastructure needs and improve the overall quality of life in San Antonio. As part of that program, \$250,000.00 in Library, Museum and Cultural Arts Improvements General Obligation Bond funds was approved for the capital expansion master plan at the Blue Star Arts Complex.

Located at 116 Blue Star, the Blue Star Contemporary Art Center was opened in 1986 as an exhibition space for local contemporary artists, and hosts over 20 exhibitions each year, with an estimated 300,000 visitors. The Blue Star Arts Complex building improvements that will be identified in the to-be-developed master plan are related to structural and life safety. Project design for the structural and life safety improvements is anticipated to begin in June 2015. The Project construction is anticipated to begin in September 2015 and estimated to be

completed in August 2016.

The Funding Agreement with the Blue Star Contemporary Art Center will be executed in compliance with the Small Business Economic Development Advocacy (SBEDA) Program, which requires contracts be reviewed by a Goal Setting Committee to establish a requirement and/or incentive unique to the particular contract in an effort to maximize the amount of small, minority, and women-owned business participation on the contract. The Goal Setting Committee set a 20% Minority/Women Business Enterprise (M/WBE) subcontracting goal. The Blue Star Contemporary Art Center has committed to meeting this goal.

ISSUE:

This ordinance authorizes two actions related to the Blue Star Arts Complex capital expansion master plan, a 2012-2017 Bond Program project, located in Council District 1.

This ordinance authorizes the execution of a funding agreement between the City of San Antonio and the Contemporary Art for San Antonio d/b/a Blue Star Contemporary Art Center in an amount not to exceed \$250,000.00 to provide structural and life safety improvements supported in the capital expansion master plan. Under the terms of the agreement the Blue Star Arts Complex capital expansion master plan will provide for building improvements are related to structural and life safety which were identified by the plan. Project design for the building improvements is anticipated to begin in June 2015. The Project construction is anticipated to begin in September 2015 and estimated to be completed in August 2016.

This item also authorizes the execution of a 20 year sublease and leaseback of an 11,000 square foot facility located at 116 Blue Star at a rate of \$1.00 per year for structural and life safety improvements supported in the capital expansion master plan at the Blue Star Arts Complex. In order to provide funding needed for non-City owned facilities as approved by the voters in the 2012-2017 Bond Program, the City is required to have a long-term interest in the property. Therefore a sublease is being proposed as the means to fulfilling that requirement and will be at a cost of \$1.00 per year for 20 years.

ALTERNATIVES:

City Council could choose not to authorize the execution of a funding agreement with Blue Star Arts Complex however doing so adversely affect this project and would require that Blue Star Contemporary Art Center find additional funding for this project. The City would be unable to move forward with one of the Bond projects approved by the voters in 2012.

FISCAL IMPACT:

This ordinance authorizes the execution of a funding agreement between the City of San Antonio and the Blue Star Contemporary Art Center in an amount not to exceed \$250,000.00 to provide structural and life safety improvements supported in the capital expansion master plan and authorizes the execution of a 20 year sublease and leaseback of an 11,000 square foot facility located at 116 Blue Star at a rate of \$1.00 per year for structural and life safety improvements supported in the capital expansion master plan at the Blue Star Arts Complex.

RECOMMENDATION:

Staff recommends approval of this ordinance related to the Blue Star Arts Complex capital expansion master plan, a 2012-2017 Bond Program project, located in Council District 1 authorizing the execution of a funding

agreement between the City of San Antonio and the Contemporary Art for San Antonio d/b/a Blue Star Contemporary Art Center in an amount not to exceed \$250,000.00 to provide structural and life safety improvements supported in the capital expansion master plan; and authorizing the execution of a 20 year sublease and leaseback of an 11,000 square foot facility located at 116 Blue Star at a rate of \$1.00 per year for structural and life safety improvements supported in the capital expansion master plan at the Blue Star Arts Complex.