

## A G E N D A



## Recommendation for Council Action (Real Estate)

Austin City Council

Item ID:

13715

Agenda Number

20.

Meeting Date:

April 5, 2012

Department:

Office of Real Estate Services

## Subject

Authorize the negotiation and execution of a 36-month lease for 4,294 square feet of office space for the Quality and Standards Management Division of the Public Works Department, located at 105 W. Riverside Drive, Suite 100, from BY WELL I, LTD, in an amount not to exceed \$364,937.21.

## Amount and Source of Funding

Funding in the amount of \$94,071.03 is available in the Fiscal Year 2011-2012 Approved Operating Budget of the Public Works Department. Funding for the remaining contract period is contingent upon available funding in future budgets.

## Fiscal Note

There is no unanticipated fiscal impact. A fiscal note is not required.

Purchasing  
Language:Prior Council  
Action:For More  
Information:

James Snow 974-9795; Dean Harris 974-7061; Lauraine Rizer 974-7078; Amanda Glasscock 974-7173.

Boards and  
Commission  
Action:

MBE / WBE:

Related Items:

13597, 13719

## Additional Backup Information

The City has leased other space in this facility located at 105 W. Riverside Drive since 2007. The Public Works Department (PWD) is requesting additional lease space to consolidate resources and provide better span and control for three divisions. The additional lease space will house the new Quality Management Standards Division. This move will free up space on the 9th floor of One Texas Center (OTC) to accommodate current project management staff that need to move back due to closing of an offsite project office. This move will also allow PWD to consolidate its Project Management and Engineering Services Divisions while reconfiguring office space to maximize use of its square footage. Currently PWD has reconfigured all its available office space and/or storage space in OTC, but still lacks sufficient space to accommodate all three divisions and absorb the current staff that needs to move back into OTC.

The proposed annual base lease rate per square foot including all operating expenses such as property taxes, insurance, utilities, janitorial, repairs and maintenance for year one is \$17.10, year two is \$18.60, and year three is \$19.20. A finish-out allowance of \$17,176 is included in these rates. The remaining finish-out required to adapt the floor plan to the City's needs, including 5% contingency and amortization expense, is an additional amount not-to-exceed \$129,196.61 or \$10.03 per square foot annually. The City would pay approximately one-half of that amount at lease commencement and the remaining amount amortized over the 36-month lease term. PWD anticipates that the lease will commence in summer 2012. Additional negotiated terms and conditions may provide for future extensions.