

## A G E N D A



## Recommendation for Council Action (Real Estate)

|  |  |          |       |               |     |
|--|--|----------|-------|---------------|-----|
| Austin City Council  |  | Item ID: | 50056 | Agenda Number | 15. |
| Meeting Date:  | October 15, 2015   |          |       |               |     |
| Department:  | Office of Real Estate Services   |          |       |               |     |
| Subject  |  |          |       |               |     |
| Authorize negotiation and execution of a 38 month lease extension agreement for approximately 14,327 square feet of office space for the Public Works Department, located at 105 West Riverside Drive, Suites 100, 200, 205, 210, and 220, from BY WELL I, LTD., in an amount not to exceed \$925,380.52 (District 9).   |  |          |       |               |     |
| Amount and Source of Funding   |  |          |       |               |     |
| Funding in the amount of \$23,017.40 is available in the Fiscal Year 2014-2015 Approved Operating Budget of the Public Works Department. Funding in the amount of \$283,804.52 is available in the Fiscal Year 2015-2016 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:  | June 21, 2007 – Council approved 60-month new lease on Suite 200; March 25, 2010 – Council approved an 18-month lease extension on Suite 220; July 29, 2010 – Council approved a 4,095 sq. ft. expansion to the Suite 200 lease known as Suites 205 and 210; April 5, 2012 – Council approved a 36-month new lease on Suite 100; April 5, 2012 – Council approved a 24-month lease extension on Suite 220; December 12, 2013 – Council approved 24-month lease extension on Suite 220. |          |       |               |     |
| For More Information:  | James Snow, Public Works Department, (512) 974-9795; Lauraine Rizer, Office of Real Estate Services, (512) 974-7078; Amanda Glasscock, Office of Real Estate Services, (512) 974-7173.   |          |       |               |     |
| Boards and Commission Action:  |  |          |       |               |     |
| MBE / WBE:   |  |          |       |               |     |
| Related Items:   |  |          |       |               |     |

### Additional Backup Information

The request for negotiation and execution of a lease extension for approximately 14,327 square feet of office space at 105 West Riverside Drive is a component of the space planning strategy of One Texas Center. The space is currently occupied by the Systems and Information Management Division, Construction Services, and Quality Management Divisions of the Public Works Department. The Human Resources Office, Quality and Standards Management Divisions and the Safety Office of the Public Works Department will be moving into the space that is currently occupied by Contract Management Department. Contract Management staff will consolidate at One Texas Center.

The proposed extension will amend, combine, and extend the entirety of the following lease agreements, as detailed below, for their combined 14,327 square feet, for a period commencing September 1, 2015, and expiring October 31, 2018. The lease rate includes all operating expenses such as property taxes, insurance, utilities, janitorial expenses, repairs, and maintenance. The proposed rent schedule as follows:

| Lease Period                          | Approximate<br>\$/SF/YR | Gross Monthly<br>Rent | Gross Annual Rent           |
|---------------------------------------|-------------------------|-----------------------|-----------------------------|
| September 1, 2015 to October 31, 2015 | \$19.28                 | \$23,017.40           | \$46,034.80 (2 months only) |
| November 1, 2015 to October 31, 2016  | \$19.86                 | \$23,707.92           | \$284,495.04                |
| November 1, 2016 to October 31, 2017  | \$20.45                 | \$24,419.16           | \$293,029.92                |
| November 1, 2017 to October 31, 2018  | \$21.07                 | \$25,151.73           | \$301,820.76                |

The lease extension rate is within the market rate per a rent study conducted by a third-party appraiser. This lease extension has been reviewed and approved by the Strategic Facility Governance Team.