

AGENDA



Recommendation for Council Action (Real Estate)

Austin City Council	Item ID:	58663	Agenda Number	27.
Meeting Date:	June 9, 2016			
Department:	Office of Real Estate Services			
Subject				
<p>Authorize negotiation and execution of a 49-month lease agreement for approximately 2,085 square feet of office space for the Watershed Protection Department, located at 105 West Riverside Drive, Suite 125, from BY WELL I, LTD., in an amount not to exceed \$197,512.05 (District 9).</p>				
Amount and Source of Funding				
<p>Funding in the amount of \$11,571.75 is available in the Fiscal Year 2015-2016 Operating Budget of the Watershed Protection Department. Funding in the amount of \$46,287 is available in the Fiscal Year 2016-2017 Operating Budget of the Watershed Protection Department. Funding for the remaining contract period is contingent upon available funding in future budgets.</p>				
Fiscal Note				
A fiscal note is not required.				
Purchasing Language:				
Prior Council Action:				
For More Information:	Lauraine Rizer, Office of Real Estate Services, (512) 974-7078; Amanda Glasscock, Office of Real Estate Services, (512) 974-7173; Jean Drew, Watershed Protection Department, (512) 974-2272.			
Boards and Commission Action:				
MBE / WBE:				
Related Items:				
Additional Backup Information				

The Watershed Protection Department (WPD) occupies office space at One Texas Center (OTC) on the 11th and 12th floors, with limited staff on the 7th and 8th floors. Over the past five years, WPD has added an additional 18 employees, both full-time employees and temporary positions. WPD has reconfigured the office space in OTC in an attempt to accommodate as many staff as possible. As a result, staff is sharing office space and working in extremely confined conditions. WPD anticipates adding new employees in 2017. These employees must be co-located with their prospective work groups to effectively function and meet business needs.

WPD is unable to add additional space for full-time employees as there is no remaining room. WPD plans to move 15 staff members in the Field Operations Division to an adjacent location at 105 W. Riverside Drive. The lease rate includes all operating expenses such as property taxes, insurance, utilities, janitorial expenses, repairs, and maintenance.

The proposed rent schedule is as follows:

Lease Period	Approximate \$/SF/YR	Gross Monthly Rent	Gross Annual Rent
July 1, 2016 to July 31, 2016	\$22.20	\$3,857.25	\$3,857.25 (1 month only)
August 1, 2016 to July 31, 2017	\$22.20	\$3,857.25	\$46,287.00
August 1, 2017 to July 31, 2018	\$22.92	\$3,982.35	\$47,788.20
August 1, 2018 to July 31, 2019	\$23.52	\$4,086.60	\$49,039.20
August 1, 2019 to July 31, 2020	\$24.24	\$4,211.70	\$50,540.40

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