

AGENDA



Recommendation for Council Action (Real Estate)

Austin City Council	Item ID:	59694	Agenda Number	12.
Meeting Date:	June 16, 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 (FTE's) and temporary positions. WPD has reconfigured the office space in OTC in an attempt to accommodate as many staff as possible. At this point, staff is sharing office space and working in extremely confined conditions. WPD is unable to add additional space in OTC as there is no remaining room.

WPD needs additional office space to accommodate existing temporary staff now housed on the 8th floor of OTC, hired for the Drainage Utility Infrastructure Mapping Project, which is anticipated to be completed in 2021. These temporary employees allow WPD to complete this project in-house instead of hiring an external consultant. WPD will be losing its space on the 8th floor of OTC, needs to move this staff, and would use the newly available space on 12th floor to accommodate this need. This staff needs to be co-located with other WPD GIS staff to effectively function and meet business needs.

In addition to the staffing for the Drainage Utility Infrastructure Mapping Project, over the last year, WPD utilized eight temporary staff, housed on the 8th floor of OTC, to help implement the new drainage utility charge. There will be ongoing work beyond initial customer database development, including fielding customer calls, inputting impervious cover data to maintain an accurate dataset for billing, and processing and entering new data resulting from new aerial photography which will now be available every two years. WPD plans to reduce the eight temporary staff and replace them with four FTE's to continue the work needed for implementation of the drainage utility charge. If FTE's are not available for this work, WPD will continue to use temporary staff. This staff must be co-located with their prospective work groups to effectively function and meet business needs.

WPD plans to move 15 staff members in the Field Operations Division to the proposed leased space at 105 W. Riverside Drive, which will provide adequate room on the 12th floor for the above-mentioned needs.

If this lease is not approved, WPD will be forced to discontinue work on the Drainage Infrastructure Mapping Project and will not have customer service staff available to respond to questions or to input new data to ensure accuracy of billing, as there will be no office space to house this staff.

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:

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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.