

A G E N D A



Recommendation for Council Action (Real Estate)

Austin City Council	Item ID:	60816	Agenda Number	45.
Meeting Date:	August 18, 2016			
Department:	Office of Real Estate Services			
Subject				
Authorize negotiation and execution of a 60-month renewal option to the current lease agreement with Silicon Laboratories, Inc., for approximately 8,499 square feet of office space for Office of the City Auditor, located at 200 West Cesar Chavez, Suite 200, in an amount not to exceed \$2,186,793 (District 9).				
Amount and Source of Funding				
Funding in the amount of \$407,017 is contingent upon approval of the proposed Fiscal Year 2016-2017 Operating Budget of the Support Services Fund. Funding for the extension options is contingent upon available funding in future budgets.				
Fiscal Note				
A fiscal note is not required.				
Purchasing Language:				
Prior Council Action:	June 20, 2013 - Council approved a 48-month lease agreement.			
For More Information:	Corrie Stokes, City Auditor, (512) 974-2468; Lauraine Rizer, Office of Real Estate Services, (512) 974-7078; Megan Herron, Office of Real Estate Services, (512) 974-5649.			
Boards and Commission Action:				
MBE / WBE:				
Related Items:				
Additional Backup Information				

In 2014, Office of the City Auditor (OCA) moved out of its City Hall location to 200 West Cesar Chavez Street, Suite 200, to accommodate the larger space needed for the transition to single member districts. Since February 2015, OCA has conducted business across Lavaca Street from City Hall in Suite 200 of the Silicon Labs building.

OCA reports directly to Council's Audit and Finance Committee. OCA is in frequent contact with the Mayor and Council, and the City Manager's Office, to conduct its daily operational business. OCA strives to provide timely and quality audits and investigative services, and moving to a location that is not in close proximity to City Hall will hinder responsiveness to Council requests and impede communication between the parties. Maintaining OCA's level of service to Council from another location will present challenges that may result in inefficiencies in time and resources. It is necessary that Council Members and their aides have direct access to the City Auditor.

Annual costs are included in the table below. The base rent amount is within the current market per a rent study conducted by an independent third-party appraiser.

The proposed rent schedule is as follows:

Lease Period	Base Rent per Rentable Square Feet (RSF)	Additional Rent Approximate Property Taxes per RSF	Gross Rental Rate	Monthly Rent	Annual Cost
10/1/2016 – 9/30/2017	\$39.25	\$8.64	\$47.89	\$33,918.09	\$407,017.11
10/1/2017 – 9/30/2018	\$40.62	\$8.99	\$49.61	\$35,136.28	\$421,635.39
10/1/2018 – 9/30/2019	\$42.05	\$9.35	\$51.40	\$36,404.05	\$436,848.60
10/1/2019 – 9/30/2020	\$43.52	\$9.72	\$53.24	\$37,707.23	\$452,486.76
10/1/2020 – 9/30/2021	\$45.05	\$10.11	\$55.16	\$39,067.07	\$468,804.84

This lease renewal has been reviewed and approved by the Strategic Facility Governance Team.