

## A G E N D A



## Recommendation for Council Action

Austin City Council	Item ID	65658	Agenda Number	37.
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Meeting Date:	12/15/2016	Department:	Office of Real Estate Services
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## Subject

Authorize the negotiation and execution of a lease amendment to add an additional 14,530 square feet of office space for the Austin Transportation Department, located at 3701 Lake Austin Blvd., for 46 months with LOWER COLORADO RIVER AUTHORITY in an amount not to exceed \$1,462,494. (District 10 )

## Amount and Source of Funding

Funding in the amount of \$303,435 is available in the Fiscal Year 2016-2017 Operating Budget of the Austin Transportation Department. Funding for the remaining lease term is contingent upon available funding in future budgets.

## Fiscal Note

A fiscal note is not required.

Purchasing Language:	
Prior Council Action:	June 20, 2013 – Approved 84-month lease agreement.
For More Information:	Lauraine Rizer, Office of Real Estate Services, (512) 974-7078; Megan Herron, Office of Real Estate Services, (512) 974-5649; Rob Spillar, Austin Transportation Department, (512) 974-2488
Council Committee, Boards and Commission Action:	
MBE / WBE:	
Related Items:	

## Additional Backup Information

Austin Transportation Department (ATD) has occupied approximately 14,037 square feet of office space at 3701 Lake Austin Boulevard since 2015. Prior to ATD occupying the building, the City Auditor's Office occupied the space before moving to the Silicon Lab Building located at 200 W. Cesar Chavez.

In 2015, ATD moved 55 employees from One Texas Center to 3701 Lake Austin Blvd. Currently, 90 employees are located at 3701 Lake Austin Blvd., which has resulted in overcrowding. All cubicles have been sized for additional space and now include at least 2-3 employees. City Council approved 8 new positions that will also office at this location. Additionally, with the passage of the 2016 Mobility Bond, ATD anticipates the need for expanded program space to facilitate deployment of the bond program. The additional 14,530 square feet of office space will allow ATD to suitably accommodate current staff and have office space for the newly approved positions. ATD will occupy the entire building of 28,567 square feet.

LCRA has agreed to paint and install new carpet in the additional rentable area at no cost to ATD. ATD will receive

49 parking spaces with the additional square footage at no cost to ATD.

The proposed rent schedule is as follows:

Lease Period	Grose Rental Rate Per Foot	Monthly Rent 14,530 SF	Annual Cost
1/6/2017 – 11/5/2017 (ten (10) months)	\$25.06	\$30,343.50	\$303,435.00
11/6/2017 – 11/5/2018	\$25.81	\$31,251.60	\$375,019.30
11/6/2018 – 11/5/2019	\$26.58	\$32,184.00	\$386,207.40
11/6/2019 – 11/5/2020	\$27.38	\$33,152.60	\$397,831.40

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