

**AGENDA**



**Recommendation for Council Action (Real Estate)**

<b>Austin City Council</b>	<b>Item ID:</b>	67849	<b>Agenda Number</b>	24.
----------------------------	-----------------	-------	----------------------	-----

<b>Meeting Date:</b>	February 9, 2017
----------------------	------------------

<b>Department:</b>	Office of Real Estate Services
--------------------	--------------------------------

**Subject**

Authorize negotiation and execution of an exclusive negotiation agreement with RedLeaf Properties, LLC, and Ryan Companies US, Inc. for acquisition of 5.164 acres and improvements on the southwest corner of Middle Fiskville Road and Highland Mall Boulevard at the Austin Community College Highland Mall Campus, and earnest money in an amount not to exceed \$650,000. (District 4) (Related to Items # 6 and #7)

**Amount and Source of Funding**

Funding in the amount of \$650,000 is available in the 2016-17 Approved Capital Budget of the Office of Real Estate Services.

**Fiscal Note**

[Redacted]

<b>Purchasing Language:</b>	[Redacted]
-----------------------------	------------

<b>Prior Council Action:</b>	June 18, 2015 - Council authorized negotiation and execution of a contract with CBRE, Inc. for Facility Space Planning.
------------------------------	---

<b>For More Information:</b>	Greg Canally, Finance Department, (512) 974-2609, Lauraine Rizer, Office of Real Estate Services, (512) 974-7078; Megan Herron, Office of Real Estate Services, (512) 974-5649.
------------------------------	---

<b>Boards and Commission Action:</b>	[Redacted]
--------------------------------------	------------

<b>MBE / WBE:</b>	[Redacted]
-------------------	------------

<b>Related Items:</b>	[Redacted]
-----------------------	------------

**Additional Backup Information**

The City is in need of approximately 800,000 to 1.2 million square feet of new administrative space due to overcrowding, end-of-life facilities, and to replace lease space. One Texas Center, the City's largest administrative space, housing nearly 1,000 employees, is severely overcrowded, resulting in a dispersed location model for many departments. Given One Texas Center's small floor plates and multiple floor lay-out, it is sub-optimal for the functions of the Development Services Department, as well as the Planning and Zoning Department.

In June 2015, the City Council authorized a work authorization with CBRE, Inc. to begin space programming for a variety of City administrative needs, including for a stand-alone Planning and Development Center. Staff provided an update to City Council on March 1, 2016, including the process to engage the market via a Request for Proposal process. That process was conducted in the Fall/Winter 2016, resulting in this recommendation.

This action is the first of a two-step approval process. The exclusive negotiating agreement (ENA) will allow the City and the developers to develop more detailed specifications, including guaranteed maximum pricing for the acquisition. In addition to the 5.164 acres, the transaction will include approximately 250,000 square feet of office space, parking, and related amenities. The second step of this process is anticipated for June 2016, with a real estate purchase agreement.

Once the Planning and Development Center is complete, the Planning and Zoning and Development Services Departments will vacate their current locations, allowing the City the ability to begin exiting lease space for administrative staff.