

## A G E N D A



## Recommendation for Council Action (Real Estate)

Austin City Council

Item ID:

70246

Agenda Number

13.

Meeting Date:

April 13, 2017

Department:

Office of Real Estate Services

## Subject

Authorize the negotiation and execution of an amendment to the lease agreement with the LOWER COLORADO RIVER AUTHORITY to add an additional 14,530 square feet of office space for 42 months for the Austin Transportation Department located at 3701 Lake Austin Blvd., in an amount not to exceed \$1,341,119.10. (District 10 ).

## Amount and Source of Funding

Funding in the amount of \$182,061 is available in the Fiscal Year 2016-2017 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

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 until moving to the Silicon Labs 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 created overcrowding. All cubicles have been downsized for additional space and now include at least 2-3 employees in each cubicle. City Council approved in the FY2017 budget eight new positions that will also office at this location. With the passage of the 2016 Mobility Bond, ATD also 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 new approved positions. ATD will occupy the entire 28,567 square foot building.

The landlord, the Lower Colorado River Authority, has agreed to paint and install new carpet in the additional rentable area at no cost to ATD. ATD will receive 49 parking spaces due to the additional square footage at no cost to ATD.

The proposed rent schedule is as follows:

Lease Period	Gross Rental Rate Per Feet	Monthly Rent 14,530 SF	Annual Cost
5/6/2017 – 11/5/2017 (six (6) months)	\$25.06	\$30,343.50	\$182,061.00
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 Facilities Governance Team.