



Recommendation for Action

File #: 21-2397, Agenda Item #: 55.

7/29/2021

Posting Language

Ratify Amendment No. 5 to the Agreement with DBG Austin South LLC, for the City to occupy the real property located at 4200 S. IH 35, Austin, Texas, 78745 for emergency housing, isolation and support services related to COVID-19, to extend the term ending on June 30, 2021 for an additional one (1) month term with three successive one-month options for an additional amount of \$1,031,355 and for a total contract amount not to exceed \$4,700,115.

Lead Department

Office of Real Estate Services.

Fiscal Note

Funding in the amount of \$771,400 is available in the Fiscal Year 2020-2021 General Fund Emergency Reserve Fund Operating Budget. Funding in the amount of \$259,935 for the remaining lease term will be included in Fiscal Year 2021-2022 Proposed Budget.

Prior Council Action:

April 9, 2020 - Council approved Ratification of a Lease Agreement.

August 27, 2020 - Council approved Ratification to Amendment No. 2 to Lease Agreement.

January 27, 2021 - Council Approved Ratification to Amendment No. 3 to Lease Agreement.

March 25, 2021 - Council approved Amendment No. 4 to Lease Agreement.

For More Information:

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Additional Backup Information:

This action ratifies the execution of Amendment No. 5 to the Agreement with DBG Austin South LLC d/b/a La Quinta Inn, a limited liability company, to occupy the property for emergency housing, isolation and support services related to COVID-19. The agreement will include the use of 129 guest rooms and surrounding parking lot area. The occupancy rate will be \$8,385 per day. The Term of Amendment No. 5 shall extend the term ending on June 30, 2021 for an additional one-month term with three successive one-month options, for an additional amount of \$1,031,355 and for a total contract amount not to exceed \$4,700,115. The contract allows for early termination after providing a ten-day notice to vacate.

The City Manager for the City of Austin, or designee, has the authority to negotiate and execute ministerial or administrative amendments to this Agreement without further action of the City Council. Any amendment that would constitute a substantive modification to the Agreement must be approved by the City Council.

The health of Austin and Travis County residents and visitors is our highest priority. Our public health officials are taking appropriate actions to ensure the health and safety of our community.

The continued leasing of this facility will allow for emergency housing, isolation and support services related to COVID-19. This Lease Amendment is necessary due to the lack of City-owned facilities.

Strategic Outcome(s):

Health and Environment.