



Recommendation for Action

File #: 21-3188, **Agenda Item #:** 2.

10/21/2021

Posting Language

Authorize negotiation and execution of a fifth amendment to the lease agreement with Lake Austin Marina I, LP, a Texas limited partnership, extending the term for 60 months, with one extension option for an additional 60 months, for approximately 964 square feet of office space and three boat slips, located at 2215 Westlake Dr., in an amount not to exceed \$291,177.26.

Lead Department

Office of Real Estate Services.

Fiscal Note

Funding in the amount of \$53,804 is available in the FY 2021-2022 Operating Budget of Austin Police Department. Funding for the remaining lease period is contingent upon available funding in future budgets.

Prior Council Action:

November 3, 2016, Council authorized a fourth amendment for 60-month least extension.

October 6, 2011, Council authorized a fourth amendment for 36-month lease extension.

June 21, 2007, Council authorized a third amendment for 60-month lease extension.

May 4, 2006, Council authorized a second amendment for 36-month lease extension.

For More Information:

Megan Herron, Office of Real Estate Services, 512-974-5649; Michael Gates, Office of Real Estate Services, 512-974-5639, Troy Gay, Austin Police Department, 512-974-5030.

Additional Backup Information:

Authorize negotiation and execution of a fifth amendment to the lease agreement with Lake Austin Marina I, LP, a Texas limited partnership, extending the term for 60 months, with one extension option for an additional 60 months, for approximately 964 square feet of office space and three boat slips, located at 2215 Westlake Dr, in an amount not to exceed \$291,177.26.

The Austin Police Department Lake Patrol Unit has occupied space at Lake Austin Marina since 1992. The program is responsible for enforcing local, state, and federal laws on three area lakes within the City: Lake Austin, Lady Bird Lake, and Lake Walter E. Long. Officers' duties include answering emergency calls on the lakes, enforcing the Texas Water Safety Act, inspecting boats for safety equipment, and investigating boat collisions. Officers patrolling the area lakes utilize seven outboard boats and two personal watercrafts. The Lake Patrol Unit operates year-round on Lake Austin and seasonally on Lady Bird Lake and Lake Walter E. Long.

The existing lease expires on September 30, 2021. The proposed amendment continues to provide approximately 964 square feet of office space and three boat slips. The base rent for year one of the office

space will start at \$22.50 per square foot per year, with 3% annual escalation, and operating expense is estimated to start at \$6.86 per square foot, with 3% annual escalation. The cost per boat slip is \$8,500 per year, with 5% annual escalations. The landlord is providing four vehicle parking spaces and two trailer parking spaces at no additional charge.

The cost per square foot is within the market rate per a rent study conducted by a third-party appraiser.

City-owned space is the preferred recommendation for location of City Departments. Due to immediate need and the intended use of the property, a lease extension with a competitive market rental is the only available option.

Office Rent Schedule	Office Rate/SF/Yr	Office Annual	Estimated Operating Expense (Op/Ex) Rate/SF	OpEx Annual	Total Annual Office + OpEx
10/1/2021 - 9/30/2022	\$22.50	\$21,690	\$6.86	\$6,613.04	\$28,303.04
10/1/2022 - 9/30/2023	\$23.18	\$22,340.70	\$7.07	\$6,815.48	\$29,156.18
10/1/2023 - 9/30/2024	\$23.87	\$23,010.92	\$7.28	\$7,017.92	\$30,028.84
10/1/2024 - 9/30/2025	\$24.59	\$23,701.25	\$7.50	\$7,230.00	\$30,931.25
10/1/2025 - 9/30/2025	\$25.32	\$24,412.29	\$7.72	\$7,442.08	\$31,854.37
Total					\$150,273.68

Boat Slip Rent Schedule	(1) Boat Slip Monthly	(1) Boat Slip Annual Rent	(3) Boat Slips Annual Rent
10/1/2021 - 9/30/2022	\$708.33	\$8,500	\$25,500.00
10/1/2022 - 9/30/2023	\$743.75	\$8,925	\$26,775.00
10/1/2023 - 9/30/2024	\$780.94	\$9,371.25	\$28,113.75
10/1/2024 - 9/30/2025	\$819.98	\$9,839.81	\$29,519.43
10/1/2025 - 9/30/2025	\$860.98	\$10,331.8	\$30,995.40
Total			\$140,903.58

Strategic Outcome(s):

Safety.