



Recommendation for Action

File #: 22-1247, Agenda Item #: 16.

2/17/2022

Posting Language

Authorize negotiation and execution of a Fourth Amendment to Ground Lease with The American National Red Cross to extend the term for 30 years, with one option to renew for 30 years, for the use of a City-owned tract of land and redevelopment of the existing facility located at 2218 Pershing Drive for the purpose of an emergency-disaster relief operation center.

Lead Department

Financial Services Department.

Fiscal Note

This item has no fiscal impact.

Prior Council Action:

April 5, 1973, Resolution - City Council approved a Ground Lease.

December 19, 1974 - City Council approved a partial assignment of the Ground Lease to American Red Cross.

April 15, 1982 - Council approved an amendment to Ground Lease for additional option periods.

November 1, 1990, Resolution - City Council approved an amendment to Ground Lease and Consent to Sublease Agreement.

September 30, 1993, Resolution - City Council approved a third amendment to the Ground Lease and Consent to Sublease Agreement.

June 10, 2021, Resolution - City Council authorized to negotiate a ground lease for not less than 30-year term, with a renewal option.

For More Information:

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Additional Backup Information:

Authorize the negotiation and execution of a Fourth Amendment to Ground Lease with The American National Red Cross, a corporation chartered by the United States of America, to extend the term for 30 years, with one option to renew for 30 years, for the use of a City-owned tract of land and redevelopment of the existing facility, located at 2218 Pershing Drive, for the purpose of an emergency-disaster relief efforts operations center.

The City entered into a ground lease with the American National Red Cross in 1974. The organization provides:

- Regional Headquarters at 2218 Pershing Dr. provides resources to 9.4 million people within an 83-county service area.

- Support for relief efforts from local home fires to large-scale evacuations with local emergency management.
- Collects approximately 40% of the Nation's blood supply and provides lifesaving training through its Cardiopulmonary Resuscitation/Automated External Defibrillator (CPR/AED) training and aquatics programs, and direct emergency communications to members of the armed forces and their families, and other support and trainings to servicemembers, veterans and their families.

In 1973, City Council approved a Ground Lease with the non-profit organization, Junior Achievement of Central Texas, Inc., to use the City-owned land and construct a building and other improvements for the development and operation of a youth community center and recreational purposes, without a profit to the organization.

In 1974, City Council approved Junior Achievement of Central Texas, Inc. to sublease and assign a portion of the Ground Lease to the American National Red Cross under a separate agreement. The American National Red Cross became a sublessee to the ground lease with respect to a portion of the leased premises under the Partial Assignment of Lease Agreement in May 1975.

In 1982, City Council approved an amendment to the Ground Lease to include two additional extension options of 10-year terms each.

In 1990, City Council approved another amendment to Ground Lease and Consent to Sublease Agreement. The amendment modified:

- The term to be 20 years, starting April 1, 1973, to May 31, 1993, with six additional extension option periods of 5-years each.
- Allowed the leased premises to be operated and conducted by a local chapter of the American National Red Cross.
- Authorized Junior Achievement of Central Texas, Inc. to sublease the entire lease premises to the American National Red Cross under a Sublease Agreement between Junior Achievement of Central Texas, Inc. and the American National Red Cross.
- The American National Red Cross agreed to plan and conduct within 2 years of the date of the amendment a public capital fundraising campaign for funds to construct a permanent improvement to the leased premises.
- The American National Red Cross agreed to commence the construction of the improvements within 1 year after the fundraising campaign.

In 1993, City Council approved a third amendment to the Ground Lease and Consent to Sublease Agreement modifying certain time periods of the start of the public capital fundraising campaign for funds to construct a permanent improvement to the leased premises and the start of the construction of the improvements schedule.

In 1997, Junior Achievement of Central Texas, Inc. assigned all of its rights under the Ground Lease and all of its leasehold estate to the American National Red Cross.

In 2021, City Council approved to negotiate a renewal to the Ground Lease to include:

- A term of not less than 30 years, with a renewal option.
- The base rent at \$100 per year.
- The possibility for the American National Red Cross to redevelop the facility and provide all maintenance and repairs of the facility for the duration of the Ground Lease.
- Provisions for the American National Red Cross to provide disaster response and resiliency training, and other relevant emergency response services for the City of Austin.

The renewal will commence on April 1, 2023, and expire on March 30, 2053, with one option to renew for 30 years. The American National Red Cross plans to redevelop with a new facility upon executing the renewal.

Strategic Outcome(s):

Safety.