



## Recommendation for Action

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**File #: 22-3020, Agenda Item #: 21.**

**9/29/2022**

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### **Posting Language**

Authorize negotiation and execution of an exclusive negotiating agreement with TC Austin Acquisitions, LLC for the acquisition and improvements of approximately 18 acres located at 14910 Cameron Road, Austin, Texas and with earnest money in an amount not to exceed \$500,000.

### **Lead Department**

Financial Services Department.

### **Fiscal Note**

Funding is available in the Capital Budget of Austin Energy.

### **Prior Council Action:**

June 10, 2021 - Council approved negotiation and execution of an exclusive negotiating agreement with Tech 3443 RIC on an 11-0 vote.

April 22, 2021 - Council approved a contract with Hornberger, Fuller, Garza & Cohen for legal services on an 11-0 vote.

June 18, 2015 - Council approved a service contract with CBRE, Inc. on a 10-0 vote. Council Member Houston was off the dais.

### **For More Information:**

Michael Gates, Financial Services Department (512)-974-5639; Cathy Curtis Financial Services Department, (512) 974-5649; Andrew Moore, P3 Program Manager, Financial Services Department 512-974-7604.

### **Additional Backup Information:**

Previously, a request was approved by Council to negotiate and execute an Exclusive Negotiating Agreement (ENA) with Tech 3443 for this project. Those negotiations ended and the ENA expired on March 1, 2022. The City's Real Estate Advisor, CBRE, Inc. released a subsequent Request for Proposals (RFP) on April 21, 2022. The current request is to restart the negotiation process with a new development partner, TC Austin Acquisitions, LLC.

### **Additional background on the need for the Warehouse and laydown yard for Austin Energy:**

The proposed warehouse and laydown yard facility is part of the Austin Energy Facilities Master Plan and will include warehouse, office, workshop, outside storage and laydown yard allowing Austin Energy to consolidate operations from their Ryan Drive/Justin Lane, Todd Lane and Decker Lane sites. In 2018 Council directed the Ryan Drive/Justin Lane location be redeveloped (Resolution No. 20181101-024) and RFP was issued for the redevelopment and is under negotiation.

In June 2015, the Council authorized a work authorization with CBRE, Inc. to serve as the City's real estate advisor and broker. Since then they have assisted with space programming for a variety of City and Austin Energy administrative needs and warehouse space requirements. Staff provided an update to Council on

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March 1, 2016 about additional horizon efforts for facilities. This will be the third project to use CBRE, Inc. as the City's real estate advisor and broker. Previous projects have included the Permitting and Development Center and Austin Energy Headquarters.

Consistent with previous direction from Council, the project will include City policy objectives for Minority and Women owned Business participation, Sustainability and Wellness, Prevailing Wage, Better Builder and Apprentice programs.

This action is the first of a 2-step approval process. The exclusive negotiation agreement will allow the City and the developer to establish more detailed specifications, including guaranteed maximum pricing for the acquisition. In addition to the 18 acres, the transaction will include approximately 125,000 square feet of warehouse, 30,000 square feet of office and 185,000 square feet of laydown yard (with ability for expansion of an additional 20,000 square feet warehouse). The geographic area was the Austin Energy service area with a preference for a location north of the Colorado River to facilitate Austin Energy operations. The second step of this process will be a request for Council approval to negotiate and execute a real estate purchase and sale agreement

Austin Energy currently leases and has out-grown warehouse space on Todd Lane which is predominately used for smart meter programming, testing and distribution. The Decker Lane site is constrained, outdated and inefficient and by combining functions, the new site will allow Austin Energy front line employees to work in modern, more efficient conditions, improve organizational effectiveness, emergency preparedness, customer service and overall productivity.

**Strategic Outcome(s):**

Government That Works for All.