



Recommendation for Action

File #: 23-3313, Agenda Item #: 4.

11/9/2023

Posting Language

Approve an ordinance amending the Fiscal Year 2023-2024 Financial Services Department Capital Budget (Ordinance No. 20230816-008) to increase appropriations by \$75,545,000 for the acquisition, furnishing, and equipping of condominium units in the 5202 Office Building Condominiums condominium project having a street address of 5202 East Ben White Boulevard, Austin, Texas 78741. Related to items #5 and #15.

Lead Department

Financial Services Department.

Fiscal Note

Funding is available from certificates of obligation to be issued August 2024 or later. A fiscal note is attached.

For More Information:

Kim Olivares, Deputy Chief Financial Officer, Financial Services Department, 512-974-2924.

Additional Backup Information:

This acquisition is of the two-story multi-tenant low-rise office, which is approximately 244,630 square feet of rentable area situated on a 20.42 acre site. The City's current lease of the property is for 196,768 square feet through May 31, 2025, and April 30, 2026. The proposed purchase also includes a third-party lease of the remaining 26,317 square feet through November 2032.

The City's current annual lease payment of \$6.4M will more than fully offset the annual debt service cost of \$6.1M for the purchase. The third-party lease revenue of \$1M will offset the projected annual operation and maintenance cost of the facility.

This budget amendment will support the acquisition of the facility, furniture, fixtures and equipment including a generator.