

## AGENDA



Thursday, June 21, 2007

## Public Works

Item No. 53

## RECOMMENDATION FOR COUNCIL ACTION

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**Subject:** Approve the negotiation and execution of a 24-month lease renewal, with an early termination provision, for 30,000 square feet of warehouse space for evidence storage by the Austin Police Department, located at 921 Reinli, from GOLDSTAR INVESTMENTS LTD, Austin TX, in an amount not to exceed \$240,000.

**Amount and Source of Funding:** Funding is available in the Fiscal Year 2006-2007 Operating Budget of the Austin Police Department. Funding for the remaining contract period is contingent upon available funding in future budgets.

**Fiscal Note:** There is no unanticipated fiscal impact. A fiscal note is not required.

**For More Information:** Dean Harris 974-7061, Laura Bohl 974-7064.

**Prior Council Action:** Original lease approved March 3, 2004, renewal November 30, 2006.

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The City has occupied this space since 2004. The lease renewal allows for the continued storage of 8-liner machines confiscated as part of the recent investigation into illegal game rooms in Austin. Several arrest warrants for the managers and owners have been executed, but no cases have yet been set for trial. The 8-liner machines cannot be disposed of until each individual location case has been through the court system.

The current lease expires June 14, 2007 and is for 30,000 square feet at a monthly cost of \$8,000. The \$8,000 per month amount was a one-time reduction below fair market rent for six months due to the City's lack of available funding at the time. The lease is under negotiation to be renewed at \$10,000 per month plus increases in property taxes and insurance. Terms are also under negotiation to allow the City to terminate the lease at any time after December 14, 2007 with six months advance written notice. If not terminated earlier, the lease will expire June 14, 2009.