

## AGENDA



Thursday, June 21, 2007

## Public Works

Item No. 57

## RECOMMENDATION FOR COUNCIL ACTION

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**Subject:** Approve the negotiation and execution of a 16-month lease renewal for approximately 25,000 square feet of medical clinic space for the Community Care Services Department, located at 7112-Z Ed Bluestein Boulevard, from TR AUSTIN RETAIL CORP., Chicago, IL, in an amount not to exceed \$466,667.

**Amount and Source of Funding:** Funding is available in the Fiscal Year 2006-2007 Operating Budget of the Community Care Services 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, Debra Hedges 972-4045, Laura Bohl 974-7064.

**Prior Council Action:** July 23, 1992.

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The City has occupied this lease space since 1992, with the facility currently referred to as the Northeast Austin Community Health Center. The lease renewal allows for the City's continued use of the space during the time the Community Care Services Department transitions to the Travis County Healthcare District (TCHD). This process is anticipated to be completed by February 28, 2009 and the renewal expires on that date. The lease will also be assignable to the TCHD with 45 days advance notice to the Lessor.

The current lease of 25,000 square feet is at the rate of \$10.28 per square foot annually or \$21,416.67 monthly, and expires October 31, 2007. This rate includes taxes, insurance, and common area maintenance expenses. The best and final offer from the Lessor is a short-term renewal at \$14.00 per square foot annually or \$29,167 per month including taxes, insurance, and common area maintenance.