

AGENDA



Thursday, June 21, 2007

Public Works

Item No. 58

RECOMMENDATION FOR COUNCIL ACTION

Subject: Approve the negotiation and execution of a 31-month lease renewal with the possibility of additional future renewals, for approximately 3,300 square feet of office space for use by the City Prosecutor's Office of the Law Department, located at 723 East 6th Street, from JHMBW L.P., Austin, TX, in an amount not to exceed \$173,600 for the initial renewal.

Amount and Source of Funding: Funding is available in the Fiscal Year 2006-2007 Operating Budget of the Law 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: Diane Harrison 974-2160, Dean Harris 974-7061, Laura Bohl 974-7064.

Prior Council Action: 2/04/1999 Initial Lease Approved; 7/19/2001 Lease Renewal Approved.

The Law Department Prosecutor's Office has occupied this space at 6th Street and IH35 since 1998 in order to serve the Municipal Court. This lease extension would provide flexibility for the prosecutors to remain at this facility until their anticipated relocation incident to proposed Municipal Court project as approved by voters in November 2006.

The current lease of 3,300 square feet is in the amount of \$18.90 per square foot annually or \$5,200 per month. The owner pays property taxes, insurance, maintenance and repairs, except that property taxes above the 2001 amount are passed through to the City. The proposed rate under negotiation is \$5,400 per month through September 30, 2009. An additional \$200 per month has been included in the requested authorization for increases in property taxes. The City is also requesting the right to terminate the lease after February 28, 2008 with 120 days advance written notice if needed in order to correspond with the Municipal Court relocation. Also, to provide for the possibility of more time needed in the space, additional negotiated terms and conditions may provide for future extensions.