

AGENDA



Thursday, September 27, 2007

Public Works

Item No. 30

RECOMMENDATION FOR COUNCIL ACTION

Subject: Approve the negotiation and execution of a 36-month lease with the possibility of future extensions for approximately 2,499 square feet of office space for the Health and Human Services Department, HIV Prevention Programs, located at 55 N. IH 35, Suite 220, from EXTEND-A-CARE INC., Austin TX, in an amount not to exceed \$109,054.76.

Amount and Source of Funding: Funding in the amount of \$36,986, (\$34,986 for annual rent and \$2,000 for finish out), is available in the Fiscal Year 2007-2008 Operating Budget of the Health and Human Services Department. The remainder of the lease funding 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, Pete Oxner 972-5137, Laura Bohl 974-7064.

The Health and Human Services Department was awarded a grant by the Texas Department of State Health Services. The grant includes funding for proposed office space in which to conduct health education, prevention, risk-reduction, counseling, testing and referrals to help reduce the spread of HIV/AIDS and increase the number of persons who know their HIV status, and reduce associated morbidity and mortality among HIV-infected persons and their partners.

The proposed 36-month lease for 2,499 rentable square feet would commence Fall 2007 at a base rent not to exceed \$7.10 per square foot annually for the full lease term. The City is also responsible for its prorata portion of annual operating expenses such as taxes, insurance, janitorial and maintenance which currently totals \$6.90 annually, for a total annual rent of \$14.00 per square foot annually or \$2,915.51 per month for year one. The base rent will remain at the same rate for the 36-month term and expenses have been estimated to increase 4% annually. Finishout to adapt the space to the City's use will be reimbursed by the City in an amount not to exceed \$2,000, which is included in the requested authorization. The chart attached summarizes the financial information.