

AGENDA



Thursday, September 27, 2007

**Public Works
RECOMMENDATION FOR COUNCIL ACTION****Item No. 31**

Subject: Approve the execution of a 60-month lease renewal with the possibility of additional future extensions for 3,785 square feet of office space for the South Austin Substation Division of the Municipal Court Department, located at 5738 Manchaca Road, Suite 17, from CHERRY CREEK PLAZA PARTNERSHIP LTD., Austin TX, in an amount not to exceed \$305,445.20 for the initial renewal.

Amount and Source of Funding: Funding for the initial twelve months of the lease term \$57,531.96 is available in the Fiscal Year 2007-2008 Approved Operating Budget of the Municipal Court Department. Funding for the remaining lease term 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, Rebecca Stark 974-4690, Laura Bohl 974-7064.

Prior Council Action: 7/10/97 lease approved, 7/11/02 renewal approved.

The leased office space is used by the Municipal Court Department as a customer service center substation. Municipal Court provides the same customer services at this center as at the downtown courthouse with the exception of trials. 35% of cases terminated at customer service counters are performed at the Court's two service centers. The space is also used by Municipal Court as workspace for Marshals assigned to warrant service in the southern part of the city.

The current lease of 3,785 square feet expires September 30, 2007. The current rental amount is \$4,942.58 per month or \$15.67 per square foot annually. All operating expenses except utilities and janitorial are paid by the lessor. The proposed rental rate reflects a slight drop in year one, and 3% annual increases thereafter with the same expense basis, as shown below.

Year 1 - \$15.20 per square foot annually, or \$4,794.33 per month
Year 2 - \$15.66 per square foot annually, or \$4,938.16 per month
Year 3 - \$16.13 per square foot annually, or \$5,086.31 per month
Year 4 - \$16.61 per square foot annually, or \$5,238.90 per month
Year 5 - \$17.11 per square foot annually, or \$5,396.06 per month.