

AGENDA



Thursday, December 11, 2008

**Contract and Land Management
RECOMMENDATION FOR COUNCIL ACTION****Item No. 15**

Subject: Authorize negotiation and execution of a 24-month lease renewal for approximately 4,000 square feet of office space and approximately two acres of equipment parking and materials storage space, with the possibility of additional future renewals for the Public Works Central District Street and Bridge Division, located at 3511 Manor Road, from CONTRACT CARRIERS INC c/o CSA MANAGEMENT Austin, TX, in an amount not to exceed \$244,800 for the initial renewal term.

Amount and Source of Funding: Funding in the amount of \$80,000 is available in the Fiscal Year 2008-2009 Operating Budget of the Public Works Department. Funding for the remaining lease term 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; Robin Field 974-7064; David Magana 974-7042; April Thedford 974-7141

Prior Council Action: September 28, 2006 – Council approved initial lease agreement.

The City has leased this site for the Public Works Street and Bridge Division Central District roadway maintenance and repair program since February 1, 2007. The facility provides approximately 4,000 square feet of office space, and approximately two acres for parking for vehicles and equipment, and a materials storage area. The monthly rental amount for year one of the lease term beginning February 1, 2009 remains at \$8,000 plus taxes and insurance, which are estimated at \$2,000 monthly, for a total lease cost of \$10,000 monthly. The monthly rental amount for year two is \$8,200 plus taxes and insurance which are estimated at \$2,200 monthly, for a total lease cost of \$10,400 monthly.

This renewal will allow for the continued use of the space by the City; additional negotiated terms and conditions may provide for future extensions of the lease term, including reasonable increases in rent. Long-term facility plans for this program will continue to be developed during the renewal term.