

## AGENDA



Thursday, August 27, 2009

**Contract and Land Management  
RECOMMENDATION FOR COUNCIL ACTION****Item No. 9**

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**Subject:** Authorize the negotiation and execution of a one (1) year lease renewal with four (4) one (1) year extension options for 5,300 square feet of space for the First Workers Day Labor Center of the Health and Human Services Department, located at 4916 N. IH 35, from NAJIB WEHBE, Austin TX, in an amount not to exceed \$85,220.04 for the one (1) year lease renewal, \$88,184.04 for the first extension option, \$91,224.36 for the second extension option, \$94,343.28 for the third extension option, and \$97,543.20 for the fourth extension option, for a total amount not to exceed \$456,514.92.

**Amount and Source of Funding:** Funding in the amount of \$10,652.51 is available in the Fiscal Year 2008-2009 Operating Budget of the Health and Human Services Department. Funding for the remaining lease term period and extension options 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; April Thedford 974-7141

**Prior Council Action:** June 3, 1999 – Council approved the original lease agreement; March 11, 2004 - Council approved the lease renewal.

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This lease renewal allows for the continuation of the First Workers' Day Labor program. The purpose of this program is to link day laborers to employers in a safe and controlled environment. Program staff register and collect information from day laborers and employers on a daily basis to help match laborer's skills with the appropriate job. Staff also reaches out to potential employers, promoting the center's services that could result in additional job opportunities for laborers.

The existing lease expires August 16, 2009, with the current monthly rent at \$6,520 or \$14.76 per square foot annually. The proposed rental rate is \$16 per square foot annually and includes approximately \$20,000 of finishout for repairs and improvements, base year 2009 property taxes, insurance, HVAC maintenance and repair. The proposed monthly rental rate structure includes 3% annual increases and pass throughs of property taxes over 2009 amounts, with totals as follows: Year 1-\$7,101.67, Year 2-\$7,348.67, year 3- \$7,602.03, Year 4- \$7,861.94, and Year 5- \$8,128.60. As part of the negotiated terms, the owner has agreed to drop the requirement that the City provide a supplemental insurance policy at a current cost of \$11,000 annually. The Risk Management Division has approved this change.