

AGENDA



Thursday, September 24, 2009

**Contract and Land Management
RECOMMENDATION FOR COUNCIL ACTION****Item No. 19**

Subject: Authorize the City Manager to negotiate and execute a contract to purchase in fee simple portions of Lots 1, 2, 3, 4, 13 and 14, Block 1 of Crest Haven Addition, a subdivision in Travis County, Texas, according to the map or plat of record in Volume 502, Page 425, of the Deed Records of Travis County, Texas, from CONTRACT CARRIERS, INC., a New Mexico Corporation.

Amount and Source of Funding: Funding is available in the Fiscal Year 2008-2009 Capital Budget of the Public Works Department. Related to Item #11, 59, & 82.

Fiscal Note: A fiscal note is attached.

For More Information: Lauraine Rizer 974-7078; April Thedford 974-7141

The Public Works Street and Bridge Central Distribution roadway maintenance and repair program entered into a 24 month lease with a commencement date of November 1, 2006 with Contract Carriers, Inc. The facility provides approximately 3,500 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 24 months was \$8,000 plus taxes and insurance, which were estimated at \$2,000 monthly, for a total monthly rent of \$10,000.

The First Amendment of said lease was entered into on January 16, 2009 to extend from February 1, 2009 to January 31, 2011. The renewal allowed the City to continue to search for a facility for the Central Distribution Center since Contract Carriers, Inc. at the time were not interested in selling. The base rate for months 1-12 of the Extended Term remain at \$8,000 per month. The base rental rate for months 13-24 was to be \$8,200 per month plus taxes and insurance.

Staff proposes to finance the sale of the property and various repairs and improvements through \$1,350,000 in Certificates of Obligation to be sold in August 2010 or later. The estimated annual debt service payment is \$111,000 per year to be paid out over 20 years. Current lease payments plus taxes and insurance total \$120,000 per year. Estimated savings if purchased total \$9,000 per year.