

## AGENDA



Thursday, October 1, 2009

**Contract and Land Management  
RECOMMENDATION FOR COUNCIL ACTION****Item No. 4**

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**Subject:** Authorize the City Manager to negotiate and execute a contract to purchase in fee simple acquisition of real estate and warehouse space, described as 2.358 acres of land out of the J.C. Tannehill League in Travis County, Texas now known as Lot 2, Block A, Springdale Center, a subdivision in Travis County, Texas, from E. R. HOLDINGS, LLC, a Texas Limited Liability Company.

**Amount and Source of Funding:** Funding is available in the Fiscal Year 2009-2010 of the Capital Budget of the Austin Police Department. Related to Items #3 & 20.

**Fiscal Note:** A fiscal note is attached.

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

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The Austin Police Department's Warehouse no longer meets the space or more importantly security requirements.

The proposed real estate and storage space would afford the Police Unit with the storage capacity to relocate all police evidence facilities with substantial room for future storage capacity. The total square footage of the proposed site is 52,229. The southwest portion of the building (roughly 12,000 square feet) is occupied and predominantly used for warehousing. Current tenant pays \$9,000 per month and lease expires 2012. The building has ten (10) loading docks and is 100% HVAC. More importantly the security needs will be able to be addressed at the new location.

Staff proposes to finance the sale of the property and various repairs and improvements through \$3,850,000 in Certificates of Obligation to be sold in August 2010 or later. The estimated annual debt service payment is \$315,000 per year to be paid out over 20 years. Current rental payments for this location are \$380,000 per year. If the property is purchased, the department will have a savings of approximately \$65,000 per year plus an additional savings from State lease payments of \$108,000 per year.