

AGENDA



Thursday, April 8, 2010

**Austin Energy
RECOMMENDATION FOR COUNCIL ACTION****Item No. 2**

Subject: Authorize the negotiation and execution of a 60-month lease agreement with VISTA PROPERTIES for approximately 4,597 square feet of retail space located at 8716 Research Blvd., Austin, Texas 78757, for a new City of Austin-Austin Energy Customer Service Center, in an amount not to exceed \$641,146.

Amount and Source of Funding: Funding for the contract 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: Pat Alba, Chief Administrative Officer, 322-6066; J.J. Gutierrez, Customer Care VP, 322-6596.

Boards and Commission Action: Recommended by the Electric Utility Commission.

The proposed lease agreement for 4,597 square feet of retail space at 8716 Research Blvd. (near Ohlen Road) will accommodate a new City of Austin/Austin Energy Walk-in Customer Service Center designed to collect utility payments for Austin Energy, Austin Water Utility, Solid Waste Services, and other utility-related fees.

Austin Energy currently operates two walk-in customer service facilities, one at the Rosewood-Zaragosa Center at 2800 Webberville Road in East Austin and one at Town Lake Center (TLC), Austin Energy's headquarters at 721 Barton Springs Road. The TLC office, however, is poorly equipped to accommodate customers utilizing the service, due to its small size and configuration, lack of parking and limited waiting area. Austin Energy staff discovered that many customers using the TLC office lived in North Austin, therefore, staff determined that the TLC office be replaced with a full-service branch in North Austin to accommodate a growing need.

The customer service center will support the initiation of new services for residential and commercial customers, other service order requests, research and analysis of utility accounts, as well as other activities designed to help customers maintain or obtain utility services with the City of Austin. The facility has a room for training sessions or meeting space for Austin Energy's Customer Care Partners including Any Baby Can, Capital Idea, Services for the Elderly, Travis County and others. It also includes an area to display materials about the services offered by the City of Austin and Austin Energy, and a kiosk payment machine, similar to an ATM, available for customers to use during and after normal hours of operations.

Terms of the agreement include \$195,000 provided by the landlord for a finish-out allowance. Expenses include property taxes, insurance, and common area maintenance. Expenses will increase by \$1 per square foot annually due to anticipated property tax increases.

If approved, interior finish out of the facility is scheduled to be completed by September 15, 2010. Austin Energy will begin lease payments upon possession, but no sooner than October 1, 2010. The lease terms

will include a 60-month extension option at the then-current market rate. If exercising the extension option is desired, the request will be brought back to Council for consideration.

Although a LEED (Leadership in Energy and Environmental Design) certification is not required due to the scope and budget of this project, Austin Energy will achieve levels of sustainability in the interior finish-out of this project to meet City of Austin Baseline Sustainability Criteria.