

AGENDA



Thursday, December 9, 2010

**Contract and Land Management
RECOMMENDATION FOR COUNCIL ACTION****Item No. 8**

Subject: Authorize the exercise of a 34-month lease extension option for 52 parking spaces for the Financial Management Division of the Austin Water Utility and a construction staging area for the Waller Creek Tunnel Project, on land located at 701-703 E. 9th Street, under a current lease from ANN PARSONS BURATTI REAL ESTATE TRUST, Austin, TX, in an amount not to exceed \$131,081 for the extension of the term.

Amount and Source of Funding: 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: Lauraine Rizer, 974-7078, Dean Harris 974-7061, Amanda Glasscock, 974-7173

The City has leased parking spaces for employees in this lot adjacent to the Waller Creek building since 1992. The lease currently expires February 28, 2013. This early exercise of the extension option under the current lease, effective March 1, 2013 through December 31, 2015, is to ensure the availability of the tract as a construction staging area for the Waller Creek Tunnel project. Specifically, the site will be used for a temporary excavated spoils storage area and large equipment yard.

The current annual rent including property taxes for the 52 spaces is \$38,573.54 or \$61.82 per space per month. The extension would be at the same rate, plus the pass through amount of projected increases in property taxes over the 2010 amount. The additional property tax increase is estimated to be \$21,789 during the extension of the term.