

AGENDA



Thursday, December 16, 2010

**Contract and Land Management
RECOMMENDATION FOR COUNCIL ACTION****Item No. 3**

Subject: Authorize the negotiation and execution of a sixty (60) month lease of approximately 4,934 rentable square feet of office space for the Treasury Office located at 700 Lavaca, 9th floor, from TRAVIS COUNTY, TEXAS, in an amount not to exceed \$567,410.

Amount and Source of Funding: Funding in the amount of \$75,654.67 is available in the Fiscal Year 2010-2011 Operating Budget of the Financial and Administrative Services Department. Funding for the remaining lease term 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, Art Alfaro 974-7882, Amanda Glasscock 974-7173, Sarah Terry 974-7141

Travis County purchased the office building and garage which houses the Treasury Office in the summer of 2010. The Treasury Office has been located in this building since 2001 and currently leases 8,124 square feet, with 4,230 square feet of that amount subleased to Public Financial Management, the City's financial advisory firm. The net area currently occupied by the Treasury Office is 3,894 square feet, and the City's lease expires April 30, 2011. Travis County has offered to continue to provide lease space, with the City being requested to move from the 15th floor to the 9th floor in the building in accordance with their facility master plan.

The proposed lease will provide for the relocation of the Treasury Office in February 2011, discontinue the sublease to Public Financial Management, modify the square footage and extend the lease through February 28, 2016. The City will have the right to terminate the lease after three years with six months advance written notice.

The proposed terms for the 4,934 square feet of space are at a base rate of \$14 annually for the full lease term including parking, plus the pass-through of operating expenses such as utilities, janitorial and maintenance estimated at \$9 per square foot annually, for a total rate of \$23 per square foot annually, or \$113,482 annually for the full lease term. Finishout to adapt the space to the City's needs is included in the proposed terms.