

A G E N D A



Recommendation for Council Action (Real Estate)

Austin City Council	Item ID:	49687	Agenda Number	35.
Meeting Date:	September 17, 2015			
Department:	Office of Real Estate Services			
Subject				
Authorize negotiation and execution of a 60-month lease renewal agreement with SIXTH WEST OF 723, L.C. to provide approximately 4,900 square feet of office space, located at 719 and 721 East 6th Street, Austin, Texas, for the Downtown Austin Community Court, in an amount not to exceed \$729,193.88 for the renewal term (District 9).				
Amount and Source of Funding				
Funding for the 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.				
Purchasing Language:				
Prior Council Action:	June 29, 2000 - Council approved the original lease agreement. February 16, 2006 - Council approved lease renewal. April 21, 2011 - Council approved lease renewal.			
For More Information:	Pete Valdez, Community Court, (512) 974-4873; Gloria Aguilera, Office of Real Estate Services, (512) 974-7100; Lauraine Rizer, (512) 974-7078; Amanda Glasscock, Office of Real Estate Services, (512) 974-7173.			
Boards and Commission Action:				
MBE / WBE:				
Related Items:				
Additional Backup Information				
Community Court has occupied this space since 2001. The court occupies a total of 4,900 square feet. Community Court is requesting a 60-month lease renewal commencing June 1, 2015 and expiring May 31, 2020.				
The facility was designed to facilitate the processing of an estimated 5,500 cases annually. In 2005, the Community				

Court expanded its jurisdiction adding University of Texas' West Campus and the closest portion of East Austin to the already existing Downtown Austin jurisdiction. Since Fiscal Year 2009, the court has created an average of 10,600 new cases and has docketed an average of 39,450 cases.

The philosophy of community courts is that this type of crisis-solving court should reside within the jurisdiction and the community it serves. The stakeholders (i.e. social service organizations, business owners, residents, etc.) are all located in the Downtown area. Having the court located in the downtown area is critical to their ability to address problem offenders as well as engage them and motivate them to utilize available services.

The current monthly base lease amount is \$9,036.42 or \$22.13 per square foot for year one of the renewal. The proposed lease renewal rate structure shown below would be effective June 1, 2015 and expire May 31, 2020.

	<u>Base Rent</u>	<u>Operating Expenses</u>	<u>Base Rent + Operating Expenses</u>	<u>Annual Rent</u>
Year 1	\$22.13	\$5.90	\$28.03	\$137,347.00
Year 2	\$22.79	\$6.08	\$28.87	\$141,467.41
Year 3	\$23.48	\$6.26	\$29.74	\$145,711.43
Year 4	\$24.18	\$6.45	\$30.63	\$150,082.78
Year 5	\$24.91	\$6.64	\$31.55	\$154,585.26
TOTAL 5 YEAR RENEWAL TERM				\$729,193.88

The lease renewal rate is within the market rate per a rent study conducted by a third-party appraiser. This lease renewal has been reviewed and approved by the Strategic Facility Governance Team.