

## A G E N D A



## Recommendation for Council Action

Austin City Council	Item ID	67850	Agenda Number	6.
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Meeting Date:	2/9/2017	Department:	Finance
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## Subject

Approve an ordinance amending the Fiscal Year 2016-2017 Office of Real Estate Services Capital Budget (Ordinance No. 20160914-002) to increase appropriations by \$650,000 for facilities for City office space, parking, and related amenities.  
(Related to Items # 7 and # 24)

## Amount and Source of Funding

Funding in the amount of \$650,000 will be provided by the future issuance of debt.

## Fiscal Note

A fiscal note is attached

Purchasing Language:

Prior Council Action:

For More Information: Lauraine Rizer, Real Estate Officer, 512-974-7078; Greg Canally, Interim Chief Financial Officer, 512-974-2609

Council Committee,  
Boards and  
Commission Action:

MBE / WBE:

Related Items:

## Additional Backup Information

This budget amendment will allow the City to enter into an Exclusive Negotiation Agreement (ENA) with RedLeaf Properties, LLC and Ryan Companies US, Inc., to purchase 5.164 acres on the southwest corner of Middle Fiskville Road and Highland Mall Boulevard at the Austin Community College Highland Mall Campus, and improvements.

This action is the first of a two-step approval process. The ENA will allow the City and the developers to develop more detailed specifications, including guaranteed maximum pricing, for the acquisition. In addition to the 5.164 acres, the transaction will include approximately 250,000 square of office space, parking, and related amenities. The second step of this process is anticipated for June 2017 with a real estate acquisition agreement.

The City is in need of approximately 800,000 to 1.2 million square feet of new administrative space due to overcrowding, end-of-life facilities, and to replace lease space. One Texas Center, the City's largest administrative space housing nearly 1,000 employees, is severely overcrowded, resulting in a dispersed location model for many

departments; and, given its small floor plates and multiple floor layout, it is sub-optimal for the functions of the Development Services Department and the Planning & Zoning Department. Once the Planning and Development Center is complete, the Planning and Zoning and Development Services Departments will vacate their current locations, giving the City the ability to begin exiting current administrative lease space.

In June 2015, Council authorized a work authorization with CBRE, Inc., to begin space programming for a variety of City administrative needs, including for a stand-alone Planning & Development Center. Staff provided an update to City Council on March 1, 2016, including the process to engage the market via a request for proposal process. That process was conducted in the Fall/Winter 2016, resulting in this recommendation.

A reimbursement resolution is a separate, but related, item on this Council agenda. A reimbursement resolution is required by federal and state law whenever a debt issuer plans to use tax-exempt debt to retroactively reimburse itself for expenditures the issuer already incurred. The use of a reimbursement resolution is approved in the City's financial policies and allows the City to start projects to be funded with bonds before the City's next scheduled general obligation bond sale. The City typically schedules its annual issuance of general obligation debt in August to coordinate with the budget cycle.