

A G E N D A



Recommendation for Council Action (Real Estate)

Austin City Council	Item ID:	69012	Agenda Number	22.
Meeting Date:	March 23, 2017			
Department:	Office of Real Estate Services			
Subject				
Authorize negotiation and execution of a 36-month parking lease agreement with TOKYO ELECTRON U.S. HOLDINGS, INC., to use and occupy 83 parking spaces for employees at Austin Energy's System Control Center located near the intersection of Montopolis Drive and Grove Boulevard, in Travis County, Texas, in the amount of \$144,688.92, with one 24-month extension option in the amount of \$103,842.96, for a total amount not to exceed \$248,531.88 (District 3).				
Amount and Source of Funding				
Funding in the amount of \$144,688.92 is available in the Fiscal Year 2016-2017 Operating Budget of Austin Energy. Funding for the extension option is contingent upon available funding in future budgets.				
Fiscal Note				
A fiscal note is not required.				
Purchasing Language:				
Prior Council Action:				
For More Information:	Vince McGlone, Austin Energy, (512) 322-6420; Sandra Strauss-Jones, Austin Energy, (512) 322-6146; Lauraine Rizer, Office of Real Estate Services, (512) 974-7078; Megan Herron, Office of Real Estate Services, (512) 974-5649.			
Boards and Commission Action:	March 20, 2017 - To be reviewed by the Electric Utility Commission.			
MBE / WBE:				
Related Items:				

Additional Backup Information

Austin Energy's System Control Center (SCC), located at 2500 Montopolis Drive, has 304 on-site parking spaces, including 14 reserved spaces for electric vehicles. Austin Energy (AE) currently has 249 staff members working at SCC, with an additional 50 employees anticipated in 2017. The SCC is utilized by AE and other City departments for employee training and meetings during business hours, and parking for utility service vehicles when not in use by AE crews. These activities combined with the building occupants' needs for parking will soon make the current parking situation at SCC strenuous.

This parking lease agreement will provide use of 83 additional parking spaces to augment parking shortages at SCC. The leased parking area will be located at the Tokyo Electron headquarters facility, located adjacent to and just north of SCC, at 2400 Grove Boulevard.

AE will connect the leased parking area through an existing pedestrian controlled access gate. AE will construct and maintain a crushed granite walkway to the controlled access gate and parking signage during the term of the lease.

The lease will commence April 1, 2017 and expire March 31, 2020. The City has the option to renew for an additional two-year term, which, if extended, will expire March 31, 2022.

The table below illustrates the annual rental costs for the 83 parking spaces, through the primary term and renewal term, totaling \$248,531.88.

Lease Period	Rate per parking space	Annual Totals
04/01/2017-03/31/2018	\$47.00	\$46,812.00
04/01/2018 - 03/31/2019	\$48.41	\$48,216.36
04/01/2019 - 03/31/2020	\$49.86	\$49,660.56
04/01/2020 - 03/31/2021	\$51.36	\$51,154.56
04/01/2021 - 03/31/2022	\$52.90	\$52,688.40

Total Amount: \$248,531.88

The Strategic Facilities Governance Team has reviewed and approved this request.