

A G E N D A



Recommendation for Council Action

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| Austin City Council | Item ID | 73541 | Agenda Number | 17. |
| Meeting Date: | 8/17/2017 | Department: | Office of Real Estate Services | |
| Subject | | | | |
| <p>Authorize negotiation and execution of all documents and instruments necessary or desirable to purchase in fee simple 5.164 acres and improvements out of Lot 3F Austin Mall located at the southwest corner of Middle Fiskville Road and Highland Mall Boulevard at the Austin Community College Highland Mall Campus in Austin, Travis County, Texas, from Highland PDC, LLC, in an amount not to exceed \$122,500,000, including closing costs (District 4). Related to Items # 16 and # 18.</p> | | | | |
| Amount and Source of Funding | | | | |
| <p>Funding in the amount of \$122,500,000 is available in the 2016-17 Capital Budget of the Office of Real Estate Services.</p> | | | | |
| Fiscal Note | | | | |
| <p>A fiscal note is not required.</p> | | | | |
| Purchasing Language: | | | | |
| Prior Council Action: | <p>June 18, 2015 – Council authorized negotiation and execution of a contract with CBRE, Inc. for Facility Space Planning; February 9, 2017 – Council authorized negotiation and execution of an exclusive negotiation agreement with RedLeaf Properties, LLC and Ryan Companies US, Inc.(Highland Mall PDC, LLC.) for acquisition of a Planning and Development Center.</p> | | | |
| For More Information: | <p>Lauraine Rizer, Office of Real Estate Services, (512) 974-7078; Fred Evins, Office of Real Estate Services, (512) 974-7085; Megan Herron, Office of Real Estate Services, (512) 974-5649</p> | | | |
| Council Committee, Boards and Commission Action: | | | | |
| MBE / WBE: | | | | |
| Related Items: | | | | |
| Additional Backup Information | | | | |

This action authorizes the negotiation and execution of a Purchase and Sale Agreement, and supporting documents and instruments, with Highland PDC, LLC, a joint venture between RedLeaf Properties, LLC and Ryan Companies US, Inc., to acquire a planning and development center for the Planning and Zoning Department, Development Services Department, and other staff involved in land development planning, regulation, permitting and inspection. The acquisition will include a 5.164-acre tract, an office building of approximately 264,000 gross square feet, structured parking, and related site amenities. Construction and delivery of the developed property and closing on this transaction is anticipated to occur in Fall 2019.

Once the planning and development center is complete, the Planning and Zoning and Development Services Departments will vacate their current location in One Texas Center, allowing the City to begin exiting lease space for administrative staff in other facilities. 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.

In June 2015, City Council approved a work authorization with CBRE, Inc. to begin space programming for a variety of City administrative needs, including for a stand-alone planning and 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. That process was conducted in the Fall/Winter 2016 and resulted in City Council's February 9, 2017, authorization to enter into an exclusive negotiating agreement with the selected developer.