



**Lease Agreement/Renewal
CITY OF AUSTIN
RECOMMENDATION FOR COUNCIL ACTION**

**AGENDA ITEM NO.: 8
AGENDA DATE: Thu 03/04/2004
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SUBJECT: Authorize negotiation and execution of an agreement with GOLDSTAR INVESTMENTS LTD, Austin, TX, for a two-year lease of approximately 30,000 square feet of warehouse space located at 921 Reinli, Austin, TX, for use by Parks and Recreation Department's Trail of Lights Program and Financial and Administrative Services Department's Surplus Property Distribution Center, in an amount not to exceed \$282,000.

AMOUNT & SOURCE OF FUNDING: Funding in the amount of \$93,000 is available in the Fiscal Year 2003-2004 Approved Operating Budget of the Financial and Administrative Services Department of the Support Services Fund. Funding for the remaining 18 months of the lease period is contingent upon available funding in future budgets.

FISCAL NOTE: There is no unanticipated fiscal impact. A fiscal note is not required.

REQUESTING Public Works
DEPARTMENT: for Parks and Recreation;
Financial and Administrative
Services;

**DIRECTOR'S
AUTHORIZATION:** Sondra Creighton

FOR MORE INFORMATION CONTACT: Dean Harris, 974-7061; Maria Ciccicarelli, 397-1472;
Laura Bohl, 974-7064

PRIOR COUNCIL ACTION: N/A

BOARD AND COMMISSION ACTION: N/A

PURCHASING: N/A

MBE / WBE: N/A

In order to facilitate the first phase of construction at Robert Mueller Municipal Airport (RMMA), which includes construction of the new Seton Hospital, demolition of certain structures will occur beginning June 1, 2004. Therefore, several departments will need to be relocated prior to May 31, 2004. The proposed lease is to provide replacement space for the Trail of Lights Program and the Surplus Property Distribution Center.

The Trail of Lights Festival began in 1965 and is one of the largest holiday events in Austin held in Zilker Park. This December the Trail of Lights Festival was seen by 364,721 visitors with 2,445 volunteers contributing 7,070 hours. The collection of displays includes a two story metal globe, other large metal structures with intricately detailed mini lighting and two and three-dimensional polystyrene sculptures with motorized armatures. The City has in its collection 38 lighted scenes, display fencing, over 1 million holiday lights, and other support materials currently stored in approximately 21,000 square feet at RMMA. Austin Energy also stores materials for the Zilker Tree, which is made of 3,000 lights.

The Surplus Property Distribution Center is responsible for receiving, distributing, retiring, and selling the City's surplus personal property. It serves as the central point for City Departments to retire their surplus personal property rather than having each department retire their property themselves. This single point helps the City maintain internal control of its personal property. In fiscal year 2003, the Center received



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5,229 units from City departments. Of these units, 2,285 units required retirement from the City's Master Property Listing. The Center also distributed 1,210 units to City departments, and sold 682 lots to the general public.

The proposed lease facility has features requested by the Trail of Lights and the Surplus Center, including loading docks, overhead doors, parking, staging, fencing, and a loading dock area.

The proposed lease is anticipated to commence on or about April 1, 2004. The rental rate is an industrial gross rate of \$4.20 per square foot annually, including taxes and insurance, for a monthly amount of \$10,500. As is typical for industrial leases, the City will be responsible for costs associated with maintenance, repairs (other than the roof, foundation, and exterior walls) and utilities. The requested authorization for this fiscal year includes up to \$30,000 to reimburse the property for finish-out requested by the City.