



**Land Acquisition  
CITY OF AUSTIN  
RECOMMENDATION FOR COUNCIL ACTION**

**AGENDA ITEM NO.:** 10  
**AGENDA DATE:** Thu 04/01/2004  
**PAGE:** 1 of 2

**SUBJECT:** Approve a resolution authorizing the negotiation and execution of a purchase of real estate from MOTOROLA, INC., Phoenix, AZ, for Lot 1A, Block "A", TRACOR INDUSTRIAL SUBDIVISION AMENDED and approximately two additional acres of land, for use by the Austin Fire Department, Emergency Medical Services Department, Financial and Administrative Services Department, and Austin Police Department, in an amount not to exceed \$3,716,750.

**AMOUNT & SOURCE OF FUNDING:** Funding is included in the Fiscal Year 2003-2004 Capital Budget of the Financial Services & Administrative Services Department.

**FISCAL NOTE:** A fiscal note is attached.

**REQUESTING** Public Works  
**DEPARTMENT:**

**DIRECTOR'S**  
**AUTHORIZATION:** Sondra Creighton

**FOR MORE INFORMATION CONTACT:** Dean Harris, 974-7061; Rosie Truelove, 974-3064

**PRIOR COUNCIL ACTION:** Five-month lease of space for DSMBR approved 4/25/02, item 29.

**BOARD AND COMMISSION ACTION:** N/A

-----

To facilitate the first phase of redevelopment at the former Robert Mueller Municipal Airport (RMMA), including construction of the Central Texas Children's Hospital, demolition of certain buildings and infrastructure will occur beginning June 1, 2004. Several departments must be relocated from RMMA prior to June 1, 2004 to accommodate deconstruction activities. The proposed building purchase will provide replacement space for the Austin Fire Department's administration and warehouse, Emergency Medical Services' warehouse and training units, Financial and Administrative Services Department's Computer Technology Management warehouse, and the Police Department's Homeland Security, K-9 and Traffic Enforcement divisions, all of which currently have facilities at RMMA. In addition, DSMBR will move from its current leased space when the lease expires.

The proposed facility, located at 4101 Ed Bluestein, has a land area of approximately 15 acres, a gross building area of approximately 103,800 square feet, and a net useable building area of approximately 90,000 square feet. Approximately 235 stations of systems furniture will be included in the building's purchase price. This furniture, currently under lease by Motorola, will remain in the building for City use through 2007. At that time, escrowed funds in the amount of \$58,750, which are included in the requested authorization, will be released to Motorola when the City receives a bill of sale for ownership of the furniture.

Space planning for specific departmental assignments is underway. A review of additional City departments that could make efficient use of the remaining office space by relocating departments from leased facilities to this site is underway. The building includes approximately 55% office, 30% conditioned warehouse, 15% common area, and showers and lockers, the latter of which will be used by the Emergency Medical Services Training Academy and the Austin Fire Department Wellness Program.

After the building is purchased, the City will spend an estimated \$1,255,000 in modifications, including



**Land Acquisition  
CITY OF AUSTIN  
RECOMMENDATION FOR COUNCIL ACTION**

**AGENDA ITEM NO.: 10  
AGENDA DATE: Thu 04/01/2004  
PAGE: 2 of 2**

the addition of 4 loading docks, secured parking for Homeland Security vehicles and Emergency Medical Services ambulances, parking lot improvements to accommodate the weight of unusually heavy vehicles such as fire trucks, ambulances and delivery vehicles, relocation of the on-site gas pipeline to be farther away from the building, computer and communications connections, ADA upgrades and improvements to the building's security system.

The building was constructed in 1967 by Tracor, and underwent a major renovation in 1995 after being purchased by the current owner. The renovation included updated mechanical equipment and a new roof.

An appraisal report prepared for the City shows a current market value is \$4,300,000. The purchase price of the facility is based on Motorola's best and final offer of \$35 per improved square foot, or \$3,633,000, plus \$58,750 for systems furniture already in place in the facility. The due diligence expenses, closing costs, and CIP staff service agreement expenses for the purchase are estimated at \$25,000 and are included in the requested authorization. The economics of this transaction are favorable in that, based on the lease proposals received by the City as part of the RMMA site search, this facility would pay for itself in under seven years if the City were paying fair market rent for similar square footage.

If approved by Council, a due diligence period of up to thirty days would commence upon the execution of a purchase agreement. At or prior to the end of this period, the City would be able to terminate the contract if it determines that the property is not satisfactory. A portion of the items under review during pre-due diligence include an upcoming Texas Department of Transportation right-of-way acquisition off the main entrance to the property, the possibility of Ed Bluestein becoming a toll road, a dormant underground petroleum pipeline adjacent to the facility, asbestos survey and a review of indoor air quality. An agreement has been reached with the pipeline owner to allow relocation of the petroleum pipeline at the City's cost should it be used in the future to carry petroleum products. Also at some point after the purchase, an easement for an existing natural gas service line would be granted to Texas Gas Services due to the ownership change.

After execution of the purchase contract, the City would deposit \$300,000 in earnest money with Motorola's title company. The earnest money would become non-refundable at the end of the thirty-day due diligence period, unless the City terminated the purchase contract, or the due diligence period is waived. Closing would be within five business days from the expiration of the due diligence period.

**4101 ED BLUESTEIN BLVD**

**WWW.NAICIP.COM  
AERIAL PHOTOGRAPHY**



**WWW.NAICIP.COM**

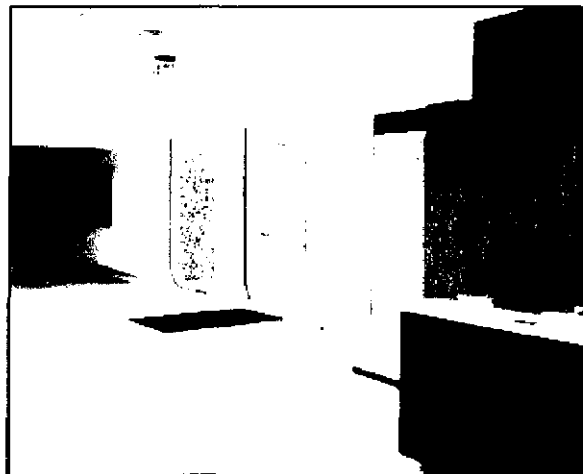
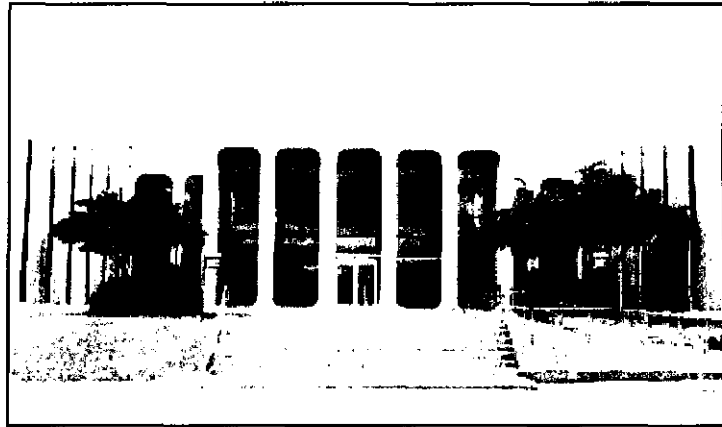
**2003 © NAI Commercial Industrial Properties Co.**

**512-346-5180**

NAI Commercial Industrial Properties Co. provides this map 'as is' and assumes no liability for its accuracy and precision.

**NAI** COMMERCIAL  
INDUSTRIAL PROPERTIES CO.  
COMMERCIAL REAL ESTATE SERVICES GROUP, INC.

4101 Ed Bluestein Blvd.



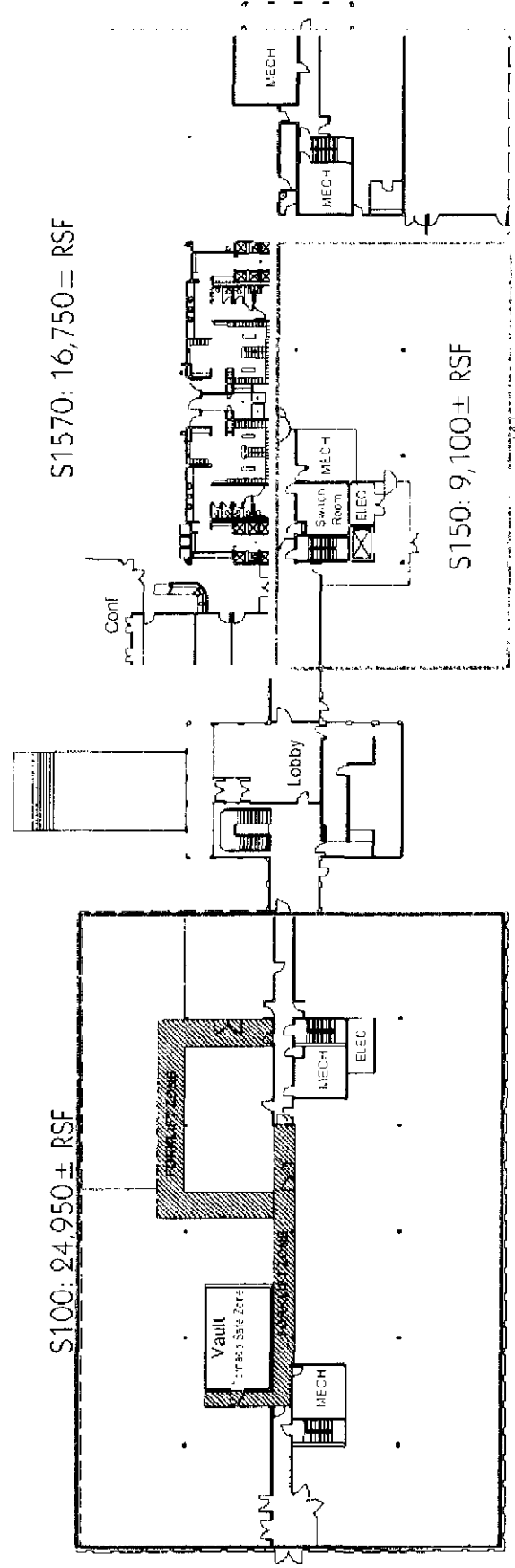
**NAI** COMMERCIAL  
INDUSTRIAL PROPERTIES CO.  
COMMERCIAL REAL ESTATE SERVICES WORLDWIDE

4101 Ed Bluestein Blvd.



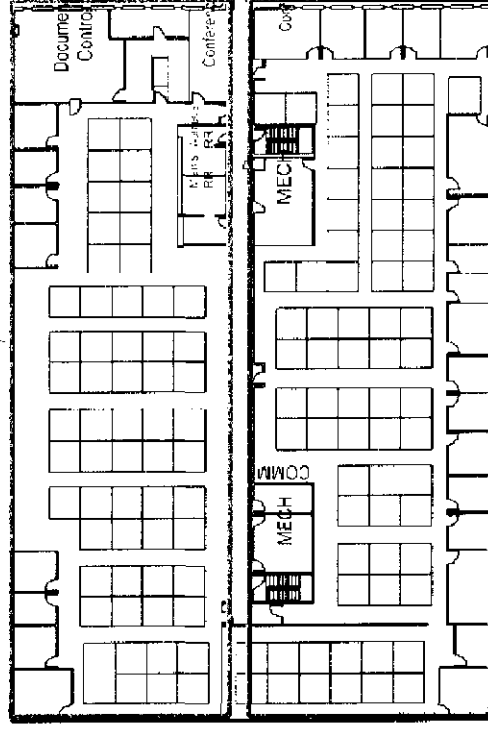
**NAI** COMMERCIAL  
INDUSTRIAL PROPERTIES CO.  
COMMERCIAL REAL ESTATE SERVICES WORLDWIDE

# Building S, Level 1 Ed Bluestein Site



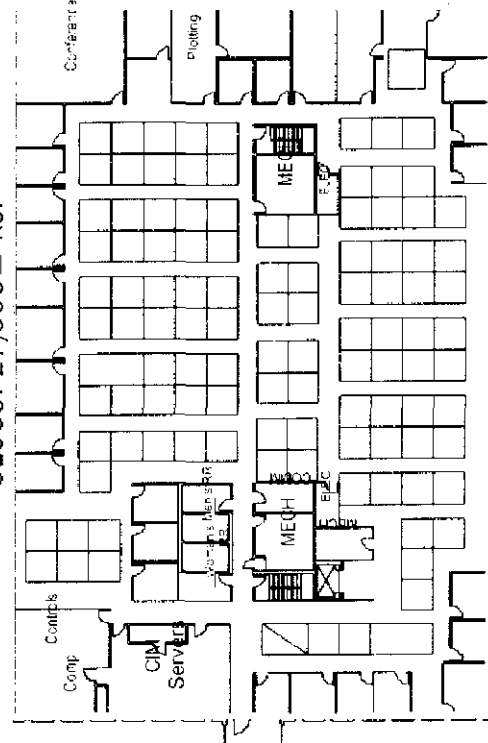
# Building S, Level 2 Ed Bluestein Site

S2540: 12,400 ± RSF



S2525: 13,300 ± RSF

S2585: 27,300 ± RSF



## CIP Fiscal Note

DATE OF COUNCIL CONSIDERATION:  
WHERE ON AGENDA:  
DEPARTMENT:

4/1/2004  
Ordinance  
Public Works for FASD

**DESCRIPTION:** Approve a resolution authorizing the negotiation and execution of a purchase of real estate from MOTOROLA, INC., Phoenix, AZ, for Lot 1A, Block "A", TRACOR INDUSTRIAL SUBDIVISION AMENDED and approximately two additional acres of land, for use by the Austin Fire Department, Emergency Medical Services Department, Financial and Administrative Services Department, and Austin Police Department, in an amount not to exceed \$3,716,750.

### HHSD

Project Name:	Motorola Office Purchase
Project Authorization:	2003-04 Capital Budget
Funding Source:	Future Certificates of Obligation
Number:	8560-747-NEW

Current Appropriation	\$4,971,750
Unencumbered Balance	\$4,971,750
Amount of This Action	(\$3,716,750)
Available Balance	<u>\$1,255,000</u>

Finance: \_\_\_\_\_

*[Signature]*  
*for [Signature]*

Date: \_\_\_\_\_

*3-25-04*



**RESOLUTION NO. 03**

**BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF AUSTIN:**

The Council approves a resolution authorizing the negotiation and execution of a purchase of real estate from MOTOROLA, INC., 3102 N. 56<sup>th</sup> Street, Phoenix, Arizona 85018, for 103,800 square feet of office and warehouse space located at 4101 Ed Bluestein, for the Austin Fire Department, Emergency Medical Services Department, Financial and Administrative Services Department, Parks and Recreation Department, and the Transportation, Planning and Sustainability Department, in an amount not to exceed \$3,685,000.

**ADOPTED:** \_\_\_\_\_, **2003**  
**ATTEST:** \_\_\_\_\_

Shirley A. Brown  
City Clerk