



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

**AGENDA ITEM NO.: 9  
AGENDA DATE: Thu 04/01/2004  
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**SUBJECT:** Authorize negotiation and execution of a sixty (60) month lease extension of approximately 6,600 square feet of dental clinic space located at 21 Waller Street from AUSTIN GERIATRIC CENTER, INC, Austin, TX, for the Community Care Services Department, in an amount not to exceed \$560,835.

**AMOUNT & SOURCE OF FUNDING:** Funding in the amount of \$27,225 is included in the Fiscal Year 2003-2004 Approved Operating Budget of the Community Care Services Department. Funding for the remaining fifty-seven months of the contract 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 **DIRECTOR'S**  
**DEPARTMENT:** for Community Care Services; **AUTHORIZATION:** Sondra Creighton

**FOR MORE INFORMATION CONTACT:** Dean Harris, 974-7061; Laura Bohl, 974-7064

**PRIOR COUNCIL ACTION:** Original Lease approved 3/5/81, ten-year lease extension approved 4/15/93, and a one-year lease extension was approved 5/22/03.

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

**PURCHASING:** N/A

**MBE / WBE:** N/A

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The City has occupied this lease space located adjacent to the City's RBJ Health Center since December 1982. The lease renewal provides for the RBJ Dental Clinic facility, which serves in excess of 3,000 clients monthly. The clinic provides a full range of dental services to eligible low-income clients.

The current lease expires on June 30, 2004. A one-year lease extension was entered into in 2003 while the RBJ Tower was undergoing mechanical renovations in order to allow time to determine what mechanical system changes need to be made in order to adequately heat and cool the facility. These matters have since been resolved and are included in the proposed lease terms.

The current rental amount is \$7,124.70 per month, or \$12.95 per square foot annually, plus electricity for the auxiliary chiller, HVAC repairs and annual CPI increases, for an effective rate of approximately \$16.50 per square foot annually. The proposed lease rate is \$16.50 per square foot annually for all operating expenses except janitorial, plus annual CPI increases beginning January 2005. After the expiration of the primary term on June 30, 2009, there is an extension option through May 30, 2013 at the same terms and conditions.