



**RCA
CITY OF AUSTIN
RECOMMENDATION FOR COUNCIL ACTION**

**AGENDA ITEM NO.: 23
AGENDA DATE: Thu 06/24/2004
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SUBJECT: Approve a modification of the ten-year lease agreement with the Austin Revitalization Authority for 26,646 square feet of office space and associated parking in the Eleven East Building located at 1000 East Eleventh Street for occupancy by the City's Neighborhood Housing and Community Development Office and the Austin Housing Finance Corporation by increasing the amount available to reimburse Austin Revitalization Authority under the lease agreement for the expenses associated with finish-out expenses to upgrade the building's HVAC and security systems, and complete other tenant finish-out improvements which exceed the original \$532,920 lease agreement finish-out allowance in an amount not to exceed \$441,899 for a total lease and tenant finish-out amount not to exceed \$9,649,964.03, and approve the use of the increased amount for reimbursement to Austin Revitalization Authority of the additional expenses which exceed the original finish-out allowance.

AMOUNT & SOURCE OF FUNDING: Funding is available in Neighborhood Housing and Community Development Special Revenue Fund.

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

REQUESTING Public Works	DIRECTOR'S
DEPARTMENT: for Neighborhood Housing and Community Development;	AUTHORIZATION: <u>Sondra Creighton</u>

FOR MORE INFORMATION CONTACT: Lauraine Rizer, 974-7078; Paul Hilgers, 974-3108; Laura Bohl, 974-7064

PRIOR COUNCIL ACTION: Lease approved February 7, 2002; amended January 29, 2004.

BOARD AND COMMISSION ACTION: N/A

PURCHASING: N/A

MBE / WBE: N/A

This action approves a resolution to amend the lease agreement with the Austin Revitalization Authority (ARA). The amendment authorizes \$441,899 to be used to complete the tenant finish out associated with the 26,646 square feet of office space to be occupied by the Neighborhood Housing and Community Development Office (NHCD) and the Austin Housing Finance Corporation (AHFC).

On February 7, 2002, Council authorized a one hundred twenty month lease of approximately 22,000 square feet of office space to be located at 1100 East 11th Street from the ARA. On January 29, 2004, Council further authorized that an additional 4,546 square feet be added to this lease through an amendment. In both the original lease and the amendment, the finishout allowance to be paid by the landlord was \$20 per square foot. However, due to costs associated with a mechanical engineer consultant recommended upgrade to the HVAC system, upgrades associated with security, and completion of the tenant finish out, NHCD needs the additional funding of \$441,899 to complete the facility for move in. These funds are available in the NHCD Special Revenue Fund.