

AGENDA ITEM NO.: 6 AGENDA DATE: Thu 11/03/2005

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<u>SUBJECT:</u> Amend the City's parking lease agreement with Crescent Real Estate Funding VIII, L.P. to reduce the number of parking spaces the City leases in the 816 Congress parking garage from 150 to 55, to lease 65 unreserved spaces in the Ninth Street parking garage at 901 Lavaca, and to reduce the rental rates accordingly.

**AMOUNT & SOURCE OF FUNDING:** Funding is available in the Fiscal Year 2005-2006 Budget of the Capital Projects Management Fund.

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

REQUESTING Financial and DIRECTOR'S

DEPARTMENT: Administrative Services AUTHORIZATION: Vickie Schubert

FOR MORE INFORMATION CONTACT: John Stephens, Chief Financial Officer, 974-2076

**PRIOR COUNCIL ACTION:** April 10, 1980- Approval of option to lease City parking lot area for the purposes of constructing a public/private parking garage

May 1981- First Amendment to Lease City property approved

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

The City currently leases 150 spaces in the 816 Congress parking garage from Crescent Real Estate Funding VIII, L.P. ("Crescent"), the owners of the 816 Congress building. The City's lease with Crescent stipulates that the rent for these spaces will be adjusted every two years to the then-current market rate for such spaces. Crescent has notified the City that the current market rate for such spaces is \$175 per month per space, and the City has confirmed this through its own survey of parking rates in the downtown area.

Crescent has offered the City the opportunity to transfer some of the reserved spaces in the 816 Congress garage to a garage that Crescent also owns, located one block northwest of the Municipal Building – the Ninth Street garage (901 Lavaca). The current market rate for the unreserved spaces in the Ninth Street garage is \$125 per month per space; however, Crescent has offered to give the City a permanent discount of 45% on these spaces.

Under this proposed amendment to the parking lease agreement, the City would retain 55 spaces in the 816 Congress garage and would lease 65 spaces in the Ninth Street garage, for a total of 120 spaces. Building management staff believes that this total of 120 spaces will be sufficient to provide parking for all Municipal Building employees. Parking needs for the Municipal Building will continue to be monitored and, if needed, the City has an option to add up to 25 additional spaces in the Ninth Street garage at the same 45% discount over the next two years.

Under the current lease, the City would pay an annual total of \$315,000 to lease 150 spaces in the 816 Congress garage at the current market rate. Under this proposed amendment, the City will pay an annual total of \$169,125, for an annual savings of \$145,875.

RCA Serial#: 10311 Date: 11/03/05 Original: Yes Published:

Disposition: Adjusted version published:



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

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The savings from this change to the current parking lease will be used to provide parking for all Faulk Central Library and Austin History Center employees. Currently, the Library has only 24 spaces for 133 employees and does not have the funding to lease additional parking.

This amendment will provide funding for the Library to lease parking spaces for all central library employees in a separate garage – this lease for Library employees will be a separate agenda item.

RCA Serial#: 10311 Date: 11/03/05 Original: Yes Published:

Disposition: Adjusted version published: