



Thursday, October 19, 2006

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**Public Works**  
**RECOMMENDATION FOR COUNCIL ACTION**
**ITEM No 21**

**Subject** Approve the negotiation and execution of a 120-month lease renewal for 27,520 square feet of warehouse and office space from PROLOGIS, Austin, TX, for the Blue Santa program and the Community Liaison program of the Austin Police Department, located at 4101 South Industrial Drive, Suite 260, in an amount not to exceed \$1,866,325.33, and authorize the execution of a 120-month sublease of approximately 1,000 square feet of the space to the Texas Music Museum, Inc

**Amount and Source of Funding** Funding is available in the Fiscal Year 2006-2007 Operating Budget of the Austin Police Department. Funding for the remaining contract period is contingent on available funding in future budgets.

**Fiscal Note** There is no unanticipated fiscal impact. A fiscal note is not required.

**Additional Backup Material**

(click to open)

☐ CHART☐ MAP

**For More Information** Dean Harris 974-7061, Lolita Slagle 974-5026, Laura Bohl 974-7064

**Prior Council Action** 2/16/06 original lease approved, 5/4/06 lease renewal approved

Austin Police Department's (APD) Blue Santa program is currently housed in warehouse space at RMMA. As redevelopment there continues, the program is required to move off-site by January 2007. APD also occupies office lease space at the Marvin F. Griffin Building, located at 1009 E. 11th Street, housing the Community Liaison program and the Texas Music Museum. That lease may be terminated after January 1, 2007. A financial analysis indicates that by co-locating both programs into the proposed lease space, a savings in excess of \$65,000 annually will be realized as compared to entering into separate long term leases for Blue Santa, the Community Liaisons and the Texas Music Museum.

The proposed lease space is currently occupied by APD's Evidence Storage program. Evidence Storage will relocate by December 31, 2006 to the City's Cameron Road Campus, with Blue Santa immediately moving into a portion of the proposed space. The Community Liaison and Texas Music Museum will relocate into the proposed space after the office finishout is completed in approximately April 2007.

Under the proposed terms, \$30,000 of finishout allowance will be provided by the owner. The rent remains at the same amount of \$11,250 per month for the next 36 months plus increases in operating expenses, which will be reimbursed by the City. This rate equates to approximately \$0.41 per square foot per month including taxes, insurance, and common area maintenance. At month 37, the amount will increase to \$11,925 per month, or approximately \$0.43 per square foot per month, plus increases in taxes, insurance, and common area maintenance. Subsequent increases are indicated in the chart below.

Up to \$195,000 of additional finishout allowance may be provided by the owner to adapt the warehouse space to approximately 5,000 square feet of office space for the Community Liaison and Texas Music Museum. This will be at a cost of \$2,523.25 monthly. Should additional finishout allowance be needed, up to \$50,000 may be paid in a lump sum by APD and is included as a contingency below. If APD were to exercise the nonappropriation provision

prior to the lease termination date, a prorata portion of the unamortized finishout would be required to be repaid

	Base Rent	Taxes, Insurance (Estimated)	Finishout	Total Mo Rent	Total Annual Rent
Year 1	\$8,265 00	\$3,039 40	\$2,523 25	\$13,827 65	\$165,931 80
Year 2	\$8,265 00	\$3,130 58	\$2,523 25	\$13,918 83	\$167,025 98
Year 3	\$8,265 00	\$3,224 50	\$2,523 25	\$14,012 75	\$168,152 99
Year 4	\$9,000 00	\$3,321 23	\$2,523 25	\$14,844 48	\$178,133 81
Year 5	\$9,000 00	\$3,420 87	\$2,523 25	\$14,944 12	\$179,329 46
Year 6	\$9,225 00	\$3,523 50	\$2,523 25	\$15,271 75	\$183,260 97
Year 7	\$9,455 63	\$3,629 20	\$2,523 25	\$15,608 08	\$187,296 93
Year 8	\$9,692 02	\$3,738 08	\$2,523 25	\$15,953 34	\$191,440 13
Year 9	\$9,934 32	\$3,850 22	\$2,523 25	\$16,307 79	\$195,693 44
Year 10	\$10,182 67	\$3,965 73	\$2,523 25	\$16,671 65	\$200,059 82
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					\$1,816,325 33
					Contingency
					Funds
					<u>\$50,000 00</u>
					Total
					\$1,866,325 33

# Proposed APD Lease Space

