



MEMORANDUM

To: Mayor and Council

From: Lauraine Rizer, Officer, Office of Real Estate Services

Date: March 2, 2017

Subject: Update regarding City Property at 411 Chicon (Resolution No. 20140626-100)

On June 26, 2014, Council Resolution No. 20140626-100 was authorized and directed the City Manager to initiate a review process and solicit community input regarding ideas for the City property at 411 Chicon Street, including the possible development of the property to include affordable living units, and the relocation of City departments currently occupying the site.

Due diligence has been ongoing to determine the alternate uses for the property and the viability of relocating the existing staff, equipment and business processes. Additionally, research has been done to determine the condition and value of the property while the Strategic Facilities Governance Team (SFGT) has performed the holistic strategic planning efforts for facilities planning citywide and engaged CBRE, Inc. as a development advisor on City facility space programming.

Multiple departments utilize the site including the headquarters for the Building Services Department (BSD), Mail Services, APD SWAT, EMS and ATD. Similar relocation plans for under-utilized City owned tracts with current uses by City departments have estimated upwards of \$3.5 Million in one-time fees plus an estimated \$500,000 in recurring fees for lease costs.

To date, no funding has been allocated to support the costs to facilitate the relocation of staff, equipment and changes to business processes, as well as the need for a replacement facility to be acquired. At this time, no further action is recommended until funding can be allocated to facilitate the relocation.

Please contact me at (512) 974-7078 with any questions you may have.

xc: Elaine Hart, Interim City Manager
Sue Edwards, Assistant City Manager
Greg Canally, Interim Chief Financial Officer
Eric Stockton, Building Services Officer