

AGENDA



Recommendation for Council Action

AUSTIN CITY COUNCIL

Regular Meeting: December 14, 2017

Item Number: **021**

Office of Real Estate Services

Authorize negotiation and execution of a 48-month lease extension for approximately 1,990 square feet of office and clinic space for Austin Public Health's Women, Infants, and Children program from Travis County Healthcare District d/b/a Central Health, located at 2901 Montopolis Drive, in an amount not to exceed \$75,465.20.

District(s) Affected: District 3

Lead Department	Office of Real Estate Services.
Fiscal Note	Funding in the amount of \$28,553.40 is available in the Fiscal Year 2017-2018 Operating Budget of Austin Public Health. Funding for the remaining 29 months of the original contract period is contingent upon available funding in future budgets.
For More Information	Donna Sundstrom, Austin Public Health, (512) 972-5038; Lauraine Rizer, Office of Real Estate Services, (512) 974-7078; Megan Herron, Office of Real Estate Services, (512) 974-5649.

Additional Backup Information:

cbpat1Since March 1, 2016, Austin Public Health (APH) has occupied 1,990 square feet within the Central Health building at 2901 Montopolis Drive for the offices of the Women, Infant, and Children program. APH leased the space from Central Health for one year (March 2016 - February 2017) at \$1 per month, plus APH's proportionate share of Operating Expenses, set at a fixed rate of \$2,000 per month

for the first year.

The proposed extension of the lease at 2901 Montopolis is for one year, with three additional one-year options for a total term of five years (March 2016 - February 2021). The proposed rate remains \$1 per month (\$0.006 per square foot annually), and APH will continue to be responsible for its proportionate share (3.8%) of the buildings Operating Expenses, including utilities, maintenance, and janitorial services. APH's share of the Operating Expenses will be set at a fixed rate of \$1,480 per month for the one-year extension from March 2017 - February 2018, but the parties will reconvene by February of each year to establish the rate for the following year. For budgeting purposes, the Office of Real Estate Services estimates that the Operating Expenses will increase by 4% annually. There is no charge for the shared use of the parking spaces on site.

Austin Independent School District, Travis County, and Austin Community College do not have office space available at this time.

The table below illustrates the estimated annual real estate costs for the space:

Lease Term	Monthly Rent	Total Rent	Est. Monthly Expenses	Total Est. Expenses	Annual Est. Total
03/01/17 - 02/28/18	\$ 1.00	\$ 12.00	\$ 1,480.00*	\$ 17,760.00	\$ 17,772.00
03/01/18 - 02/28/19	\$ 1.00	\$ 12.00	\$ 1,539.20	\$ 18,470.40	\$ 18,482.40
03/01/19 - 02/28/20	\$ 1.00	\$ 12.00	\$ 1,600.77	\$ 19,209.22	\$ 19,221.22
03/01/20 - 02/28/21	\$ 1.00	\$ 12.00	\$ 1,664.80	\$ 19,977.58	\$ 19,989.58
Total Amount:		\$ 48.00		\$ 75,417.20	\$ 75,465.20

* - Fixed.

A market rent study by a third party was not conducted due to fact that the monthly rental rate is \$1.00.

A map of the leased premises is attached.