

# AGENDA



## Recommendation for Council Action

### AUSTIN CITY COUNCIL

Regular Meeting: September 20, 2018

Item Number: **018**

#### Office of Real Estate Services

Authorize negotiation and execution of a 36-month lease extension for 5,000 square feet of warehouse space for the Austin Police Department with LGC Techni Center LLC, successor in interest to Technicenter Partners, Ltd., for property located at 6014 Technicenter Dr. Suite 2-201, in an amount not to exceed \$129,600.

**District(s) Affected:** District 1

<b>Lead Department</b>	Office of Real Estate Services.
<b>Fiscal Note</b>	Funding in the amount of \$42,000 is available in the Fiscal Year 2017-2018 Operating Budget of the Austin Police Department. Funding for the remaining lease term is contingent upon available funding in future budgets. A fiscal note is not required.
<b>Prior Council Action</b>	Original Lease approved on March 4, 2004; the First Amendment to the Lease approved on June 21, 2007, the Second Amendment to the Lease approved on March 11, 2010, and the Third Amendment approved on August 22, 2013.
<b>For More Information</b>	Alex Gale, Office of Real Estate Services (512) 974-1416; Megan Herron, Office of Real Estate Services, (512) 974-5649; Chief Brian Manley, Austin Police Department, (512) 974-5030.

**Additional Backup Information:**

The City originally leased space at this location by a lease agreement dated April 30, 2004. The leased premises at that time consisted of 10,000 square feet to be used by Austin Public Works in which the Austin Police Department subsequently co-located.

The First Amendment to the lease was executed on July 5, 2007, and a Second Amendment to the Lease was executed on May 14, 2010. In the Third Amendment to the Lease dated July 1, 2013, the leased space was pared down to 5,000 square feet, and the space was utilized solely by the Austin Police Department, Organized Crime Unit as a secured storage space. The Third Amendment to the Lease expires on September 30, 2018, and the Austin Police Department has elected to enter into a Fourth Amendment for a 36 month term. APD will be solely responsible for electricity and garbage services. The monthly rental expense is inclusive of taxes, insurance, and common area maintenance. The lease will provide for an annual 3% escalation.

	<b>Gross Rent/psf</b>	<b>Monthly Rent</b>	<b>Annual Rent</b>
Year 1	\$0.70	\$3,500	\$42,000
Year 2	\$0.72	\$3,600	\$43,200
Year 3	\$0.74	\$3,700	<u>\$44,400</u>
<b>Total</b>			\$129,600

The gross rent is within the market range per a study conducted by a third-party appraiser.

The amendment to the lease has been reviewed and approved by the Strategic Facilities Governance Team.