



## Recommendation for Action

**File #:** 19-2707, **Agenda Item #:** 32.

8/22/2019

### Posting Language

Authorize negotiation and execution of a 24-month lease renewal, to commence on January 1, 2020 and terminate December 31, 2021, with two (2) one-year extension options, with Glenn M. Herzog for horse stable and arena facilities for the Austin Police Department, Mounted Patrol Unit, located at 8011 East Parmer Lane, Manor, Texas for a total amount not to exceed \$216,000 (Austin 2 Mile ETJ).

### Lead Department

Office of Real Estate Services.

### Fiscal Note

Funding in the amount of \$54,000 is contingent upon approval of the Fiscal Year 2019-2020 Operating Budget of Austin Police Department. Funding for the remaining contract term is contingent upon available funding in future budgets.

### Prior Council Action:

April 16, 1998 - Council approved lease; June 27, 2002- Council approved lease renewal; January 12, 2006 - Council approved lease renewal; March 24, 2011 - Council approved lease renewal; March 1, 2012 - Council approved lease renewal; August 22, 2013 - Council approved lease renewal; April 23, 2015 - Council Approved lease renewal

### For More Information:

Alice Thomas, Austin Police Department (512) 974-5069; Alex Gale, Office of Real Estate Services, (512) 974-1416; Megan Herron, Office of Real Estate Services, (512) 974-5649.

### Additional Backup Information:

The Austin Police Department's (APD) Mounted Patrol Unit has been housed at this facility since 1993. The current lease consists of a gross rental rate of \$4,500 per month, and the lease expires December 31, 2019. The facility includes 16 stalls, an arena, two round pins, a turn-out pasture, and a hay barn. Taxes, insurance, and utilities are included in the monthly rate.

The proposed 24-month lease renewal would commence January 1, 2020 and expire December 31, 2021, with two (1) year options to extend. Base Rent would remain at \$4,500 per month, and the City would have the right to terminate the lease upon 120 days' written notice to Lessor. This renewal will allow for continuation of current operations while the City completes construction of the City-owned facility at 11400 McAngus Road.

The project is currently nearing the end of design, with construction bids anticipated for mid-summer. The contract would then go to Council for approval in September, 2019. A 14-16 month construction period is anticipated. Every effort will continue to be made to accelerate the completion of the construction process to ensure a timely transition to the new facility.

Department Name	RENEWAL LEASE PERIOD	GROSS RENT PER MONTH	ANNUAL TOTAL
Year 1	1/1/2020 - 12/31/2020	\$4,500	\$54,000

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Year 2	1/1/2021 - 12/31/2021	\$4,500	\$54,000
Year 3	1/1/2022 - 12/31/2022	\$4,500	\$54,000
Year 4	1/1/2023 - 12/31/2023	\$4,500	\$54,000
<b>Total:</b>			<b>\$216,000.00</b>

The Strategic Facilities Governance Team has reviewed and approved this request.