



Recommendation for Action

File #: 20-2230, **Agenda Item #:** 80.

5/21/2020

Posting Language

Ratify the execution of the purchase agreement and pre-purchase occupancy agreement with Karvins Hotels, Inc. and approve the execution of all documents and instruments necessary to purchase in fee simple approximately 1.7513 acres of land and a building containing approximately 43,798 square feet out of Lot 8, 9, 10, 11, 14, 15, 16, 17, Block 2, of St. John's Home Addition, a subdivision in Travis County, Texas, according to the plat recorded as Volume 4, Page 42, of the Plat Records of Travis County, Texas, and Lot 12A, Resubdivision of Lots 12 and 13, Block 2, of St. John's Home Addition, a subdivision in Travis County, Texas, according to the plat recorded as Volume 62, Page 18, of the Plat Records of Travis County, Texas, known locally as 7400 N Interstate 35 Frontage Rd., Austin, TX 78752 from Karvins Hotels Inc. for a total amount not to exceed \$8,755,000.00 including closing costs.

Lead Department

Office of Real Estate Services.

Fiscal Note

All lawfully available federal funds will be utilized to the maximum extent allowable to pay for costs associated with the possession, initial operation, and purchase of the facility.

Prior Council Action:

January 31, 2019, Council approved Resolution 20190131-078 relating to a pilot project to provide immediate shelter and support services for those experiencing homelessness on a 10-0 vote. Council Member Flannigan was off the dais.

June 6, 2019, Council approved Resolution 20190606-049 relating to implementing the responses directed in Council Resolution No. 20190131-078, including taking all actions necessary to implement the provision of immediate shelter structure(s) and services on a 10-0 vote. Council Member Harper-Madison was off the dais.

For More Information:

Megan Herron, Office of Real Estate Services, 512-974-5649; Alex Gale, Office of Real Estate Services, (512) 974-1416, Rosie Truelove, Neighborhood Housing and Community Development (512) 974-3064.

Additional Backup Information:

This action ratifies the execution of the Pre-Purchase Possession Agreement and Purchase and Sale Agreement with Karvins Hotels, Inc, to purchase the property and occupy the property pre-purchase. This action will provide housing for individuals who do not have the ability to quarantine during the COVID-19 pandemic and includes shelter and support services for people experiencing homelessness who also must be sheltered and have access to enhanced sanitation due to this public health emergency. The possession and acquisition will include approximately 43,798 square feet of commercial building space on a 1.7513 acre lot.

The health of Austin and Travis County residents and visitors is our highest priority. Our public health officials are taking appropriate actions to ensure the health and safety of our community. Austin-Travis County leaders have declared a "local state of disaster" to more proactively increase preventative measures in the region.

Possessing this facility will allow for us to house individuals who do not have the ability to quarantine during the COVID-19 pandemic, the duration of which is unknown. The retention of this facility is necessary and is the most efficient action to ensure that these services and this space is available to address the public health emergency resulting from COVID-19 which is likely to impact the City for more than another year.

The Office of Real Estate Services has identified the building at 7400 N Interstate 35 Frontage Rd. as a property that would be able to provide immediate quarantine space for individuals who do not have access to quarantine space during the COVID-19 pandemic in addition to providing sanitary shelter and support services to those experiencing homelessness. The property is an ideal location to maximize its use for necessary quarantine facilities to address the conditions created by this pandemic. The property is accessible by public transportation, close to major arterials, and within reasonable distance of health care facilities. The costs associated with the pre-purchase possession is \$500,000 and the purchase price, including estimated closing costs and other related fees, is \$8,255,000,000 for a not to exceed total of \$8,755,000. Retention of this asset will increase COVID-19 treatment capacity and is necessary for public safety.

All lawfully available federal funds will be utilized to the maximum extent allowable to pay for costs associated with the possession, initial operation, and purchase of the facility.

Strategic Outcome(s):

Health and Environment.