



Recommendation for Action

File #: 20-3072, **Agenda Item #:** 97.

9/17/2020

Posting Language

Ratify the execution of Amendment No. 1 to the Pre-Purchase Possession Agreement with Karvins Hotels, Inc for the City to occupy the property located at 7400 N Interstate 35 Frontage Rd., Austin, TX 78752 from Karvins Hotels Inc. for emergency housing, supportive housing, and isolation of individuals related to the COVID-19 pandemic to extend the initial term at the rate of \$5,500 per day for 30 days and \$5,000 for any day in excess of 30, in an amount not to exceed \$320,500 for a total contract amount not to exceed \$820,500.

Lead Department

Office of Real Estate Services.

Fiscal Note

Funding in the amount of \$320,500 is available in the General Fund Emergency Reserve Fund Operating Budget.

Prior Council Action:

20200521-080 - On May 21, 2020 City Council approved the ratification of an agreement to possess real property related to the COVID-19 pandemic.

For More Information:

Megan Herron, Office of Real Estate Services, 512-974-5649; Alex Gale, Office of Real Estate Services, (512) 974-1416; Stephanie Hayden, Austin Public Housing (512) 972-5010; Rosie Truelove, Neighborhood Housing and Community Development (512) 974-3064; Juan Ortiz, Homeland Security and Emergency Management (512) 974-0461.

Additional Backup Information:

This action ratifies the execution of an amendment to the agreement with Karvins Hotels, Inc, to occupy the hotel for isolation of individuals related to COVID-19 pandemic. The amendment includes use of 75 guest rooms and surrounding parking lot area. The Term of the Original Agreement began on May 18, 2020 and had a 90-day initial term. The Amendment extends the initial term at a rate of \$5,500 per day for 30 days and \$5,000 for any days in excess of 30, for an amount not to exceed \$320,500. These funds will not be applied to the purchase price.

The City is currently using the facility as a Protective Lodge while performing due diligence during the review period with the intent to purchase the property as part of the City's Motel Conversion Strategy. Utilizing this hotel on a temporary basis as a Protective Lodge best supports the City's public health efforts to mitigate the spread of COVID-19.

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. Leasing this facility will allow for us to house individuals who do not have the ability to self-isolate during the COVID-19 pandemic.

Strategic Outcome(s):

Health and Environment.