



Recommendation for Action

File #: 21-1144, **Agenda Item #:** 29.

1/27/2021

Posting Language

Ratify Amendment No. 3 to the agreement with DBG Austin South LLC, for the City to occupy the real property located at 4200 South Interstate Highway 35, Austin, Texas, 78745 for emergency housing, isolation, and support services related to COVID-19 to extend the option period by three additional one-month terms, for an additional amount not to exceed \$696,600 and for a total contract amount not to exceed \$2,964,420.

Lead Department

Office of Real Estate Services.

Fiscal Note

Funding in the amount of \$696,600 is available in the Fiscal Year 2021-2022 General Fund Emergency Reserve Fund Operating Budget.

Prior Council Action:

On April 9, 2020 Council approved Ratification of a Lease Agreement and on August 27, 2020 Council approved Ratification of an Amendment to Lease Agreement.

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, Housing and Planning Department (512) 974-3064; Juan Ortiz, Homeland Security and Emergency Management (512) 974-0461.

Additional Backup Information:

On April 9, City Council approved \$541,800.00 for the temporary occupancy of the property beginning in April 2020 and on August 27, City Council approved an additional \$1,726,020 for the extended occupancy of the property until December 31, 2020 for a total of \$2,267,820.00.

This action ratifies Amendment No. 3 to the Temporary Occupancy Agreement with DBG Austin South LLC to occupy the property for emergency housing, isolation, and support services related to COVID-19. The agreement will include the use of 129 guest rooms and surrounding parking lot area. The Term of the amendment shall extend the option period by three additional one-month terms at a rate not to exceed \$696,600.00 (daily rate of \$7,740.00) for a total contract amount not to exceed \$2,964,420.00.

Month	Days	Rental Rate Per Day	Rental Rate Per Month
January	31	\$7,740.00	\$239,940.00
February	28	\$7,740.00	\$216,720.00
March	31	\$7,740.00	\$239,940.00
Total:			\$696,600.00

The City Manager for the City of Austin, or designee, has the authority to negotiate and execute ministerial or administrative amendments to this Agreement without further action of the City Council. Any amendment that would constitute a substantive modification to the Agreement must be approved by the City Council.

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.

The continued Leasing of this facility will allow us to house individuals who may have been exposed to COVID-19. This Lease Amendment is necessary due to the lack of City-owned facilities.

Strategic Outcome(s):

Health and Environment.