



Recommendation for Action

File #: 21-3412, **Agenda Item #:** 27.

11/18/2021

Posting Language

Authorize negotiation and execution of a fifth amendment to the lease agreement with Travis County Healthcare District d/b/a Central Health for approximately 1,990 square feet of office and clinic space located at 2901 Montopolis Drive for Austin Public Health's Women, Infants, and Children program, extending the term for 60 months, in an amount not to exceed \$302,766.

Lead Department

Office of Real Estate Services.

Fiscal Note

Funding in the amount of \$26,412 is available in the FY 2021-2022 Austin Public Health Special Revenue Fund from the Texas Health and Human Services Commission's WIC Grant. Funding for the remaining lease term is contingent upon available funding in future budgets.

Prior Council Action:

On December 14, 2017, Council approved a 48-month Lease Extension.

For More Information:

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Additional Backup Information:

Since March 1, 2016, Austin Public Health (APH) has occupied 1,990 square feet within the Central Health building at 2901 Montopolis Drive for the offices of the Women, Infants, and Children program.

The proposed fifth amendment to the lease at 2901 Montopolis Drive is for 60 months with one additional 60-month option for a total term of 120 months for approximately 1,990 square feet of office and clinic space. The proposed rate remains \$1 per month (\$0.006 per square foot annually), and APH will continue to be responsible for its proportionate share (3.8%) of the building operating expenses, including utilities, maintenance, and janitorial services. APH's share of the operating expenses will be set at a fixed rate of \$2,200 per month for the initial 12 months of the extension, and the parties will reconvene by February of each year to establish the rate for the operating expenses. For budgeting purposes, the Office of Real Estate estimates that the operating expenses will increase by 3% annually. There is no change for the shared use of the parking spaces on site.

The 60-month period, with one additional 60-month option to extend, will allow WIC to continue to provide these valued services to the community.

The table below illustrates the estimated annual real estate costs for the space:

Proposed 60 Month Lease Extension	Monthly Rent	Total Yearly Rent	Est. Monthly Operating Expenses	Total Est. Yearly Rent Expenses	Annual Est. Total Rent and Operating Expenses
2/28/21 - 2/27/22	\$1.00	\$12.00	\$2,200.00	\$26,400.00	\$26,412.00
2/28/22 - 2/27/23	\$1.00	\$12.00	\$2,266.00	\$27,192.00	\$27,204.00
2/28/23 - 2/27/24	\$1.00	12.00	\$2,333.98	\$28,007.76	\$28,019.76
2/28/24 - 2/27/25	\$1.00	\$12.00	\$2,404.00	\$28,847.99	\$28,859.99
2/28/25 - 2/27/26	\$1.00	\$12.00	\$2,476.12	\$29,713.43	\$29,725.43
TOTAL AMOUNT:					\$140,221.19

Proposed Additional 60 Month Option to Extend	Monthly Rent	Total Yearly Rent	Est. Monthly Operating Expenses	Total Est. Yearly Rent Expenses	Annual Est. Total Rent and Operating Expenses
2/28/26 - 2/27/27	\$1.00	\$12.00	\$2,550.40	\$30,604.84	\$30,616.84
2/28/27 - 2/27/28	\$1.00	\$12.00	\$2,626.92	\$31,522.98	\$31,534.98
2/28/28 - 2/27/29	\$1.00	\$12.00	\$2,705.72	\$32,468.67	\$32,480.67
2/28/29 - 2/27/30	\$1.00	\$12.00	\$2,786.89	\$33,442.73	\$33,454.73
2/28/30 - 2/27/31	\$1.00	\$12.00	\$2,870.50	\$34,446.01	\$34,458.01
TOTAL AMOUNT:					\$162,545.23

Strategic Outcome(s):

Health and Environment.