



Recommendation for Action

File #: 23-3243, Agenda Item #: 15.

11/9/2023

Posting Language

Authorize negotiation and execution of all documents and instruments necessary or desirable to acquire in fee simple Units 1, 3, 4, 5, 6, B1, B2, and B3 in the 5202 Office Building Condominiums, a condominium project in Travis County, Texas, according to the Declaration of Condominium recorded under Document No. 2017088520 of the Official Public Records of Travis County Texas and amendments thereto, and an easement estate for access as created and defined in the Declaration of Easements, Covenants and Restrictions recorded under Document No. 2017050690 of the Official Public Records of Travis County, Texas, said condominium project having a street address of 5202 East Ben White Boulevard, Austin, Texas 78741 from Thor 5202 Ben White, LLC and Thor 5202 Ben White TIC, LLC, as tenants-in-common for a total amount not to exceed \$71,540,917 including closing costs. Related to items #4 and #5.

Lead Department

Financial Services Department.

Fiscal Note

Funding is available in the Capital Budget of the Financial Services Department.

Prior Council Action:

August 30, 2018 - Council approved a lease for the Austin Public Health Department with 5204 Ben White 2017, LP, a Texas Limited Partnership, for property located at 5202 Ben White Boulevard.

June 28, 2018 - Council approved a lease for the Corridor Program Office with 5204 Ben White 2017, LP, a Texas Limited Partnership, located at 5202 E. Ben White Boulevard.

June 14, 2018 - Council approved a lease for storage space for the Austin Code Department, Economic Development Department, and Human Resources Department with 5204 Ben White 2017, LP, a Texas Limited Partnership, located at 5202 Ben White Boulevard.

September 28, 2017 - Council approved a lease for office space for the Development Services Department and Austin Energy, at 5202 East Ben White Boulevard, in Austin, Travis County, Texas, from 5204 Ben White 2017, LP, a Texas Limited Partnership.

For More Information:

Michael Gates, Financial Services Department, 512-974-5639; Brandon Williamson, Financial Services Department, 512-974-5666; Kimberly Olivares, Financial Services Department, 512-974-2924.

Additional Backup Information:

This acquisition is for the 2-story multi-tenant low-rise office, approximately 244,630 square feet, of rentable area situated on a 20.42 acre site. The City's current lease of the property is for 196,768 square feet through May 31, 2025 and April 30, 2026. The proposed purchase also includes a third-party lease of the remaining 26,317 square feet through November 2032.

The City's current annual lease payment of \$6.4M will more than fully offset the annual debt service cost of \$6.1M for the purchase. The third-party lease revenue of \$1M will offset the projected annual operation and maintenance cost of the facility.

An independent, third-party appraisal was procured to establish the fair-market valuation of the proposed acquisition. The appraisal supports the purchase price of \$71,500,000. The amount of the purchase price plus closing costs is not to exceed \$71,540,917.