



City of Austin

Recommendation for Action

File #: 25-0582, **Agenda Item #:** 39.

4/24/2025

Posting Language

Authorize negotiation and execution of a 36-month lease extension with Icon Owner Pool 6 Austin, LLC, for approximately 27,520 square feet of warehouse space for the Austin Police Department's Community Liaison Unit and the Blue Santa Program, located at 4101 South Industrial Drive, Austin, Travis County, Texas, 78744, for a total amount not to exceed \$1,594,068. Funding: \$84,256 is available in the Operating Budget of the Austin Police Department.

Lead Department

Financial Services Department

Fiscal Note

Funding is available in the Fiscal Year 2024-2025 Operating Budget of the Austin Police Department.

Funding for the remaining contract terms is contingent upon available funding in future budgets.

Prior Council Action:

July 28, 2022 - Council approved a 36-month lease renewal with Icon Owner Pool 6 Austin, LLC, for the Austin Police Department Blue Santa Program and the Community Liaison Unit.

September 28, 2017 - Council approved a 60-month lease renewal with Icon Owner Pool 6 Austin, LLC, for the Austin Police Department for Blue Santa Program and the Community Liaison Unit.

October 19, 2006 - Council approved a 120-month lease renewal with Prologics, Inc. for the Austin Police Department Blue Santa program and the Community Liaison program.

May 4, 2006 - Council approved a 3-month lease renewal with Prologics, Inc. for the Austin Police Department.

February 16, 2006 - Council approved a 7-month lease renewal with Prologics, Inc. for the Austin Police Department.

For More Information:

Michael Gates, Financial Services Department, 512-974-5639; Brandon Williamson, Financial Services Department, 512-974-5666; Michelle Schmidt, Austin Police Department, 512-974-5077.

Additional Backup Information :

The proposed lease amendment is for the continued use of the warehouse space until the 4708 E. Martin Luther King Jr. Blvd. warehouse is available and made ready for Austin Police Department's (APD) Community Liaison Unit and Blue Santa Program to move into the facility. The current lease agreement for this space expires on July 31, 2025 and additional time is needed at this location to allow for the public safety warehouse finish-out, move APD's functions at E. Martin Luther King Jr. Blvd. to 11708 McAngus, and perform maintenance repairs to the E. Martin Luther King Jr. Blvd. warehouse.

The warehouse facility consists of 27,520 square feet and is used year-round to gather, store, and deploy

community resources. It includes office space for members of the Community Liaison Unit and APD. The size of the warehouse accommodates the current needs of the Community Liaison Unit for programs such as National Night Out, Youth Programs (LinkS and Leadership Camps), Seniors and Law Enforcement Together (SALT), 1CARE Community Conference, the APD Bike Giveaway Event and Operation Blue Santa. The Community Liaison Unit and APD also use the warehouse for programming and preparation.

The proposed rent is \$13.75 per square foot annually, and operating expenses are currently estimated at \$4.62 per square foot. The base rent will increase annually by 4%, and operating expenses are estimated to grow by 8% annually.

An independent, third-party appraisal was procured to establish the fair market rental rate. The appraisal supports the proposed lease terms.

The following table summarizes the rent and operating expenses.

Term	Monthly Base Rent	Estimated Monthly Operating Expense	Total Monthly Rent	Total Annual Rent
Months 1-12	\$31,533	\$10,595	\$42,128	\$505,536
Months 13-24	\$32,794	\$11,443	\$44,237	\$530,844
Months 25-36	\$34,106	\$12,358	\$46,464	\$557,568
			TOTAL:	\$1,593,948

The Strategic Facilities Governance Team has reviewed and approved the proposed lease agreement.