



# City of Austin

## Recommendation for Action

**File #:** 24-6253, **Agenda Item #:** 14.

12/12/2024

### Posting Language

Authorize negotiation and execution of all documents necessary or desirable including, if applicable, an interlocal cooperation agreement, with the Austin Public Facilities Corporation for the purpose of developing the Northeast Service Center at 8301 Johnny Morris Road, for an amount not to exceed \$245,000,000. Funding: \$139,000,000 is available in the Capital budget of the Financial Services Department. \$106,000,000 is available in the Capital Budget of Austin Resource Recovery. Related to Items #15 and #16.

### Lead Department

Financial Services Department.

### Fiscal Note

Funding in the amount of \$139,000,000 is available in the Capital budget of the Financial Services Department. Funding in the amount of \$106,000,000 is available in the Capital Budget of Austin Resource Recovery.

### Prior Council Action:

May 30, 2024 - Council authorized negotiation and execution of a ground lease, and interlocal agreement, and all other documents necessary or desirable with the Austin Public Facilities Corporation to develop the Northeast Service Center at 8301 Johnny Morris Road, for a total interlocal agreement amount not to exceed \$8,500,000.

### For More Information:

Kimberly Olivares, Deputy Chief Financial Officer, 512-974-2924; Andrew Moore, Public Private Partnership Program Manager, 512-974-7604.

### Additional Backup Information:

The Northeast Service Center (NESC) facility is anticipated to be approximately 300,000 square feet and will be constructed to allow for future expansion up to 375,000 square feet. The NESC will incorporate vehicle servicing shop areas, warehousing, administrative offices and support functions, outside storage, and vehicle storage that will merge and consolidate current operations from various separate locations for Austin Resource Recovery (ARR) and the Fleet Mobility Services Department (FMSSD). Currently, ARR maintains its entire fleet from the Todd Lane location in southeast Austin. ARR requires the use of additional facilities to better service their customers, improve operational efficiencies, reduce long-term operating costs, allow for staff expansion, and reduce the Department's carbon footprint by providing a northern location to deploy trucks. In addition to directly supporting ARR vehicle needs, the NESC will provide much needed and improved space to support a wide range of fleet assets from lawn mowers to watercraft to Fire/Police/EMS vehicles and Public Works trucks. The NESC will be operational 24 hours a day in the event of an emergency that would require this functionality for an extended period. The development will include a fuel station for ARR, FMSSD, and other city vehicles and provide electric vehicle charging. The new buildings will earn a minimum of 3-Star Austin Energy Green Building (AEGB) rating and WELL silver standards for administrative office areas and include zero-waste building concepts. Additionally, the sustainable building approach will help maintain a neighborly relationship with the surrounding community. These funds will be used for the full construction, tenant

improvements and furniture, fixtures and equipment. Anticipated completion is Summer of 2027.

The City created the Austin Public Facilities Corporation (the "APFC") to finance, acquire, construct, rehabilitate, renovate, repair, equip, and furnish public facilities, and the City will use the APFC to develop the NESC. To facilitate that development, the City will enter into an interlocal cooperation agreement with the APFC for an amount not to exceed \$253,500,000 -- \$245,000,000 authorized by this item and \$8,500,000 authorized on May 30, 2024.