



City of Pflugerville

Legislation Text

File #: 2021-0931, **Version:** 2

Discuss and consider action regarding a proposal from Alpha Building Corporation for \$79,187.54 for removal of tenant improvements at the Development Services Center and authorizing the City Manager to execute necessary documents.

This item is to regarding a proposal by Alpha Building Corporation to remove tenant improvements and restore the space to its prior condition as required by the lease.

The City of Pflugerville has leased space from Travis County ESD No. 2 since 2011. The first floor location has been utilized for the Development Services Center, consisting of multiple departments and functions. In order to conform the space to suit the city's operational needs, tenant improvements were made with consent of the property owner prior to occupancy in 2011.

The initial five-year lease commenced October 1, 2011, and was renewed for an additional five-year term in 2016. Notice of intent to not renew the lease was transmitted to the property owner on July 26, 2021. Tenant improvements at the former Comerica Bank location at 100 W. Main Street are anticipated for completion at the end of September.

Among the provisions included, Section 6.05 states that the Landlord may require Tenant to remove any alterations, additions or improvements prior to the expiration of the Lease and restore the Leased Premises to its prior condition, all at Tenant's expense.

A letter requesting clarification regarding the obligations to restore the space was sent to the property owner on September 3rd. The City received clarification on September 21 from Travis County ESD 2 that the lease space is required to return to original condition.

Based on current schedule, to complete the renovations a one month holdover is anticipated to be needed as provided in Section 2.02 of the lease, which is one month's lease plus 25 percent, or total of \$15,557.

Prior City Council Action

The lease renewal was authorized by City Council in September 2016. City Council postponed the item on September 14, 2021.

Deadline for City Council Action

Action is requested on 9/14/21 in order to proceed with the project upon the space being vacated in early October.

Funding Expected: Revenue ___ Expenditure N/A ___

Budgeted Item: Yes ___ No N/A ___

Amount: \$79,187.54

1295 Form Required? Yes No

Legal Review Required: N/A Required Date Completed: Pending

Supporting documents attached:

Proposal

Existing Lobby Photo

Correspondence from Travis County ESD2

Lease

CEC Building Remodel Exhibit

Recommended Action

Discuss and take action as appropriate.