

## AGENDA



Thursday, August 30, 2007

## Public Works

Item No. 21

## RECOMMENDATION FOR COUNCIL ACTION

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**Subject:** Authorize the negotiation and execution of a 60-month lease with the possibility of future extensions for approximately 7,000 square feet of office, storage and retail space for the Book Sales Program of the Austin Public Library Department, located at 8620 Burnet Road Suite 400, from ROCKWOOD VILLAGE PARTNERSHIP, LTD., Austin TX, in an amount not to exceed \$ \$707,560.88.

**Amount and Source of Funding:** Funding is available in the Fiscal Year 2006-2007 Operating Budget of the Library Department. Funding for the lease term period is contingent upon available funding in future budgets.

**Fiscal Note:** There is no unanticipated fiscal impact. A fiscal note is not required.

**For More Information:** Dean Harris 974-7061, John Gillum 974-7495, Laura Bohl 974-7064.

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Since August 3, 2005, the Austin Public Library has utilized the former South Austin Post Office building at 1800 South Fifth Street for its Book Sales Program by providing a book sorting facility/used bookstore for items retired from the collection and donated materials not added to the collection. The former South Austin Post Office building stands at 10,000 square feet on two acres purchased by the City of Austin June 30, 2004 to serve as the site of the new Twin Oaks Branch Library. The construction schedule for the Twin Oaks Branch Library Replacement Project calls for demolition of the former South Austin Post Office building to begin December 15, 2007 to make way for construction of the new library, which will necessitate the prior relocation of the present book sorting/used bookstore operation.

The proposed lease to relocate the book sorting and sales operation is anticipated to commence in late 2007. The base rent for the 7,000 square feet will be \$12 per square foot annually or \$7,000 per month for the full 60-month term. Operating expenses will also be reimbursed to the owner. This amount is approximately \$0.45 per square foot per month for 2007 including taxes, insurance, and common area maintenance. Such expenses are estimated to increase 3% annually and are included in the requested authorization.

Regarding finishout, \$10 per square foot or \$70,000 of finishout and professional services allowance are included in the base rent. An additional finishout and professional services allowance of up to \$75,000 may be provided by the owner to adapt the space for the Library's use. This additional amount will be amortized at a cost of \$1,485.09 per month if the full allowance is needed. If the Library were to exercise the nonappropriation provision prior to the lease termination date, a prorata portion of the unamortized finishout and transaction cost would be required to be repaid. Additional negotiated terms and conditions may provide for future extensions.