



**Lease Agreement/Renewal  
CITY OF AUSTIN  
RECOMMENDATION FOR COUNCIL ACTION**

**AGENDA ITEM NO.:** 42  
**AGENDA DATE:** Thu 07/29/2004  
**PAGE:** 1 of 1

**SUBJECT:** Authorize execution of a lease termination agreement with TRAVIS REALTY CORP., New York, NY, resulting in a savings of approximately \$70,903 for 3,160 square feet of office space leased to Central Texas Library Services, located at 700 Lavaca, Suite 709, due to a reduction in a State grant.

**AMOUNT & SOURCE OF FUNDING:** The reduction in leased cost is offset by a corresponding reduction in grant revenue.

**FISCAL NOTE:** There is no unanticipated fiscal impact. A fiscal note is not required.

**REQUESTING** Public Works  
**DEPARTMENT:** for Library;

**DIRECTOR'S  
AUTHORIZATION:** Sondra Creighton

**FOR MORE INFORMATION CONTACT:** Dean Harris, 974-7061; Pat Tuohy, 476-1668; Laura Bohl, 974-7064

**PRIOR COUNCIL ACTION:** February 7, 2002 - lease approved.

**BOARD AND COMMISSION ACTION:** N/A

---

In April 2002, Central Texas Library Services (CTLS) was relocated from the Austin History Center to lease space in the Chase building, which is owned by Travis Realty Corp. CTLS is funded through grants from the Texas State Library, and is a cooperative library network of some 73 member libraries in the 30 counties in the Austin area. The CTLS staff provide consulting, continuing education, materials grants, and rotating large print collections to member libraries in the region.

CTLS's grant funding from the State of Texas is being reduced from FY 2003 levels. The current CTLS rent at the Chase building is \$5,916.23 per month. From September 2004 through the end of the lease on March 31, 2007, the total estimated amount to be paid out for the thirty-one (31) remaining payments is \$183,403. Alternate space has recently been identified for CTLS in the facility recently purchased by the City located at 4201 Ed Bluestein. The cost for the City space will be approximately \$1,500 per month, or \$46,500 for the same 31 month period. An additional cost is the amount required to obtain a release from the remaining Chase contract terms. Because the space was built out for CTLS' use, Chase will need to recoup the unreimbursed finishout cost. These items were addressed, and a mutually agreeable termination in the amount of \$56,000 has been reached. The breakdown is approximately \$31,000 for finishout reimbursement and \$25,000 for a release from the remainder of the contract.

The net benefit of exercising the termination agreement and relocating to the City building may be calculated as follows:

\$183,403 remaining lease cost at Chase (31 months times \$5,916.23 rent per month)

\$(46,500) City building cost for remaining lease term (31 months times \$1,500 rent per month)

\$(56,000) paid to Chase for finishout reimbursement and contract release

\$(10,000) City move cost and incidental expenses

\$ 70,903 net savings over the remaining lease term

Savings in future years are estimated at greater than \$50,000 annually when compared to the existing lease terms.



**Lease Agreement/Renewal  
CITY OF AUSTIN  
RECOMMENDATION FOR COUNCIL ACTION**

**AGENDA ITEM NO.: 42  
AGENDA DATE: Thu 07/29/2004  
PAGE: 2 of 1**