

## A G E N D A



## Recommendation for Council Action (Real Estate)

Austin City Council - Commissioners Court Meeting	Item ID:	35141	Agenda Number	36.
Meeting Date:	August 28, 2014			
Department:	Office of Real Estate Services			
Subject				
Approve a resolution consenting to transfer of the ownership interests of Austin Java Holdings, LLC, tenant of Austin Java City Hall Café, to AJCC Holdings, LLC, and waiving the lease provision that would otherwise prohibit AJCC Holdings, LLC, as an assignee from exercising lease renewal options.				
Amount and Source of Funding				
Fiscal Note				
There is no unanticipated fiscal impact. A fiscal note is not required.				
Purchasing Language:				
Prior Council Action:	March 10, 2005 - Council approved Resolution No. 2005310-004, authorizing the negotiation and execution of a City Hall café lease agreement. August 27, 2009 - Council authorized the City Manager to negotiate and execute a lease amendment. May 24, 2012 - Council authorized the City Manager to negotiate and execute a lease amendment and assignment.			
For More Information:	Mashell Smith, Office of Real Estate Services, (512) 974-7149; Lauraine Rizer, Office of Real Estate Services, (512) 974-7078; Amanda Glasscock, Office of Real Estate Services, (512) 974-7173.			
Boards and Commission Action:				
MBE / WBE:				
Related Items:				

### Additional Backup Information

On September 22, 2005, the City entered into an agreement with Austin Java City Hall, LP to lease retail café space of approximately 2,248 square feet for the property located at 301 West Second Street, Suite 100, Austin, Texas, and more commonly known as City Hall. The Austin Java City Hall café opened in 2007. In 2008, Austin Java City Hall, LP merged into Austin Java Holdings, LLC, the parent of the other Austin Java café locations. At the time, there were no changes in ownership as a result of the merger.

The members of Austin Java Holdings wish to sell their interests to AJCC Holdings, LLC ("AJCC"). Under the proposed arrangement, AJCC will hold the sole ownership interest in Austin Java Holdings, and Austin Java Holdings will remain the existing tenant at City Hall.

The current lease requires the City's consent to a sale of the ownership interests of the tenant and, because such a sale is defined to be an "assignment", would not allow AJCC Holdings, LLC, to exercise the two available five year renewal options.

As currently proposed, DATEFAVS, LLC will hold the majority ownership interest in AJCC, and Engel Management Services will continue to offer management services to the Austin Java City Hall location so long as directed by AJCC.

Note that in 2012, Council authorized the assignment of this lease from Austin Java City Hall LP to Lickona's City Hall, LLC, and to amend the lease. The tenant subsequently rescinded its request for that lease assignment and amendment.