

**AGENDA**



**Recommendation for Council Action (Real Estate)**

<b>Austin City Council</b>	<b>Item ID:</b>	41498	<b>Agenda Number</b>	10.
<b>Meeting Date:</b>	March 26, 2015			
<b>Department:</b>	Office of Real Estate Services			
<b>Subject</b>				
Authorize negotiation and execution of an 84-month lease renewal agreement with PAJA PROPERTIES, LTD. for 7,675 square feet of retail, office and storage space for the Book Sales Program of the Austin Public Library, located at 5335 Burnet Road, in an amount not to exceed \$1,151,643.				
<b>Amount and Source of Funding</b>				
Funding for the lease term period is contingent upon available funding in future budgets.				
<b>Fiscal Note</b>				
There is no unanticipated fiscal impact. A fiscal note is not required.				
<b>Purchasing Language:</b>				
<b>Prior Council Action:</b>	August 16, 2012 – Council approved lease renewal. November 8, 2007 - Council approved original lease.			
<b>For More Information:</b>	John Gillum, Austin Public Library, (512) 974-7495; Kim Vasquez, Office of Real Estate Services, (512) 974-9241; Lauraine Rizer, Office of Real Estate Services, (512) 974-7078; Amanda Glasscock, Office of Real Estate Services, (512) 974-7173.			
<b>Boards and Commission Action:</b>				
<b>MBE / WBE:</b>				
<b>Related Items:</b>				
<b>Additional Backup Information</b>				

The City has leased space at 5335 Burnet Road, which houses the Austin Public Library's Recycled Reads used bookstore program, since March 2008. The lease was renewed in August 2012 through March 31, 2015. The store is stocked with books and materials withdrawn from the Library's collection and received from the community's donations. The store sells these books and is an active participant in the City's Zero Waste Plan by ensuring obsolete materials are kept out of landfills. Items that Recycled Reads is unable to sell go to third party recyclers that fund and support literacy programs. Books that are unusable as reading material are recycled for reuse. Each month Recycled Reads handles about 14 tons of obsolete library materials and books and materials donated from the public.

The lease for this space expires March 31, 2015. The current lease rate is \$14.02 per square foot annually plus utilities and operating expenses such as taxes and insurance. The proposed lease rate for the 84-month extension starts at \$14.44 per square foot annually; then increases by 3% annually. Utilities are estimated at \$1.46 per square foot annually and operating expenses are estimated at \$4.17 per square foot annually. Utilities and operating expenses are included in the requested authorization. The negotiated base rent amount for the entire renewal period was less than the third-party appraisal market rent study recommendation.

This lease renewal has been reviewed and approved by the Strategic Facilities Governance Team.