



Recommendation for Action

File #: 19-1213, **Agenda Item #:** 51.

2/7/2019

Posting Language

Authorize negotiation and execution of a sublease from the City of Austin to Austin Creative Reuse, a Texas nonprofit corporation, for approximately 4,758 square feet of retail space from the Austin Public Library Recycled Reads Store located at 5335 Burnet Road for a 36-month term.

Lead Department

Office of Real Estate Services.

Fiscal Note

This item has no fiscal impact.

Prior Council Action:

March 26, 2015 - Council approved lease renewal.

August 16, 2012 - Council approved lease renewal.

November 8, 2007 - Council approved original lease.

For More Information:

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Additional Backup Information:

The Austin Public Library (APL) Recycled Reads Store occupies 7,265 square feet of space in a retail center at 5335 Burnet Road under a lease from Pajo Properties, Ltd., dated March 15, 2008. Recycled Reads opened to the public at this location in February of 2009, and its primary function has been the reuse, repurpose, and recycling of books and other materials from the City's 20 library locations and from Austin citizens. Recycled Reads has diverted more than 3000 tons of materials from landfills and has contributed to the City's goal of zero waste by 2040. Recycled Reads educates the community on reuse by providing programs and workshops on a regular basis that carry the sustainability message.

APL is looking to collaborate with Austin Creative Reuse (ACR) to expand reuse efforts to the community. ACR is a non-profit corporation that operates a center for re-use and recycling, including collection, distribution and sale of reusable materials donated by industry and individuals. Additionally, ACR performs community education on recycling and reuse of various materials. The current APL strategy is to phase out the concept of a used book store, but to pursue those activities in the branch libraries or at periodic book fairs.

Under the proposed sublease, beginning on April 1, 2019, ACR would have the use of 62% of the space of the building, leaving APL with sufficient space to carry on its book recycling activities until its underlying lease expires in March of 2022. The sublease would relieve APL of much of its financial burden at the site, and at the same time give it the opportunity to phase out its operations as it progresses with its new strategy. The landlord, Pajo Properties, Ltd., has agreed to the sublease concept. The approximate respective costs for APL

and ACR, as derived from the Fourth Amendment of the lease are set out on the grid below. Operating expenses are based upon a 4% annual increase. Additionally, APL and ACR would pay proportionate costs for other items not covered in the lease such as janitorial services and interior maintenance.

| Austin Public Library Proportionate Share | | | Austin Creative Reuse Proportionate Share | | |
|--|---|-------------------------------|---|---|-------------------------------|
| Base Monthly Rent for APL at 38% proportion | Monthly Operating Expense for at 38% proportion | Total annual expenses for APL | Monthly Base Rent for ACR at 62% proportion | Monthly Operating Expense for ACR at 62% proportion | Total annual expenses for ACR |
| \$3,950 | \$1,172 | \$61,464 | \$6,445 | \$1,911 | \$100,272 |
| \$4,069 | \$1,218 | \$63,444 | \$6,638 | \$1,987 | \$103,500 |
| \$4,191 | \$1,267 | \$65,496 | \$6,837 | \$2,066 | \$106,836 |
| | | \$190,404 | | | \$310,608 |