



Recommendation for Action

File #: 22-1515, Agenda Item #: 39.

3/24/2022

Posting Language

Authorize negotiation and execution of a lease with Foxtrot Retail Texas, Inc, for approximately 2,658 square feet of retail space located at 301 West 2nd St., Suite 100 for an initial term of 120 months and two 60-month renewal options to operate an upscale convenience market.

Lead Department

Financial Services Department.

Fiscal Note

This item has no fiscal impact.

For More Information:

Diana Justice, Financial Services Department, 512-974-7170; Michael Gates, Financial Services Department, (512) 974-5639; Darrell Alexander, Building Services Department, 512-974-7948.

Additional Backup Information:

Authorize the negotiation and execution of a lease for an initial term of 120 months and two 60-month renewal options with Foxtrot Retail Texas, Inc, for approximately 2,658 square feet of retail space at located at 301 West 2nd St., Suite 100.

Foxtrot Retail Texas, Inc. emerged as the top candidate identified by the Strategic Facility Governance Team (SFGT) through a competitive process to procure a new tenant to lease the space at City Hall vacated by Austin Java on 8/31/2020.

Foxtrot Retail Texas, Inc. will operate an upscale convenience market, providing an all-day café, grocer, and coffee shop. Food offerings will include breakfast tacos, pastries, prepared food (salads, sandwiches, and entrees), beverages, grab-and-go snacks, beer, and wine.

The base rent per square foot is within the market rate per a rent study conducted by a third-party appraiser:

Rent Schedule	Base Rent/SF	Base Rent (Monthly)	Common Area Maintenance (CAM) (Monthly, 5% est. annual increase)	Base Rent + CAM (Monthly)	Annual Total Base Rent + CAM
Months 1-6	N/A	N/A	\$83.43	\$83.43	\$500.58
Months 7-12	\$35.00	\$7,752.50	\$83.43	\$7,835.93	\$47,015.58
Months 13-24	\$35.00	\$7,752.50	\$87.60	\$7,840.10	\$94,081.20
Months 25-36	\$35.00	\$7,752.50	\$91.98	\$7,844.48	\$94,133.76
Months 37-48	\$35.00	\$7,752.50	\$96.58	\$7,849.08	\$94,188.96

Months 49-60	\$35.00	\$7,752.50	\$101.41	\$7,853.91	\$94,246.92
Months 61-72	\$38.50	\$8,527.75	\$106.48	\$8,634.23	\$103,610.76
Months 73-84	\$38.50	\$8,527.75	\$111.80	\$8,639.55	\$103,674.60
Months 85-96	\$38.50	\$8,527.75	\$117.39	\$8,645.14	\$103,741.68
Months 97-108	\$38.50	\$8,527.75	\$123.26	\$8,651.01	\$103,812.12
Months 109-120	\$38.50	\$8,527.75	\$129.42	\$8,657.17	\$103,886.04
				Total:	\$942,892.20

If Foxtrot Retail Texas, Inc. exercises its option(s) to renew, base rent will be determined via a fair-market rent study conducted by a third-party appraiser prior to the renewal term(s).

Strategic Outcome(s):

Government That Works for All.