



Recommendation for Action

File #: 22-1905, **Agenda Item #:** 17.

5/19/2022

Posting Language

Authorize negotiation and execution of an amended and restated lease agreement for an initial term of 10 years with two 5-year renewal options with The Escape Game Austin, LLC, for approximately 7,110 square feet of retail space located at 405 and 407 Red River St., on the ground floor of the Austin Convention Center parking garage.

Lead Department

Financial Services Department.

Fiscal Note

This item has no fiscal impact.

Prior Council Action:

December 11, 2014, Council approved a 10-year lease. August 27, 2020, Council adopted Resolution 20210610-095.

For More Information:

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

Additional Backup Information:

Authorize the negotiation and execution of an amended and restated lease agreement for an initial term of 10 years with two 5-year renewal options with The Escape Game Austin, LLC, for approximately 7,110 square feet of retail space located at 405 and 407 Red River St. on the ground floor of the Austin Convention Center parking garage.

The Escape Game has been a tenant at 405 Red River St. since 6/30/2015. The tenant would like to expand into the space next door at 407 Red River St., which is the former Texas Reds and White space. Texas Reds and Whites terminated its lease with the City on 1/18/2022.

Council Resolution 20210610-095 instructed staff to research if the current real estate market supports rent abatement. The market rent study conducted for this location supports rent abatement for six months based on a lease a term of 10 years. Additionally, the tenant will pay for utility charges as sub-metered and invoiced separately by the City.

The Escape Game is current on its deferred rent payment schedule related to the COVID pandemic. The cost per square foot is within the market rate per a rent study conducted by a third-party appraiser

Term	Base Rent per Square Foot (7,110 SF)	Annual Base Rent	Monthly Base Rent	Total Base Rent
Months 1-6	N/A	N/A	N/A	N/A
Months 7-12	\$19.00	\$67,545	\$11,258	\$67,548
Months 13-120	\$19.00	\$135,090	\$11,258	\$1,215,810
			Total:	\$1,283,358

Strategic Outcome(s):

Government that Works for All.