



City of Austin

Recommendation for Action

File #: 24-6515, Agenda Item #: 48.

1/30/2025

Posting Language

Authorize negotiation and execution of a lease agreement with Café Crème Downtown LLC, a Texas limited liability company, for 3,786 square feet of interior restaurant space within the Austin Central Library located at 710 W. Cesar Chavez Street, Austin, Texas 78701, for an initial lease term of seven years with up to two five-year extension options with an estimated rental revenue of \$1,515,972 during the initial term. Funding: This item is projected to result in additional revenue of approximately \$98,736 in the Fiscal Year 2024-2025 Austin Public Library Operating Budget.

Lead Department

Financial Services Department.

Fiscal Note

This item is projected to result in additional revenue of approximately \$98,736 in the Fiscal Year 2024-2025 Austin Public Library Operating Budget.

For More Information:

Michael Gates, Financial Service Department, 512-974-5639; Brandon Williamson, Financial Services Department, 512-974-5666; John Cabiya, Austin Public Library, 512-974-7440.

Additional Backup Information :

The proposed lease agreement is for the operation of a restaurant within the Austin Central Library. It includes 3,786 square feet of retail space and the nonexclusive use of approximately 2,065 square feet of the outdoor patio area. The tenant will accept the space “as-is” and be responsible for any design, construction, and other costs incurred in improving the cafe space.

Café Crème is locally owned and has been in operation since 2014 and offers a wide variety of breakfast and lunch items, fresh-made pastries and coffee. Café Crème was featured in Lifestyle Magazine in 2015 as one of “24 Coffee Shops in America You Have to Visit”. Café Crème was identified as the top candidate by the Strategic Facilities Governance Team through a competitive tenant procurement process.

The proposed base rent for the restaurant is \$49.00 per square foot, and operating expenses are currently estimated at \$996 per month. The base rent will increase annually by 3%, and operating expenses are estimated to increase annually by 4%. There are two 5-year renewal options at the prevailing market rents at the time of renewal.

An independent third-party appraisal was procured to establish the fair market rental rate. The appraisal supports the proposed lease terms. The following table summarizes the rent and operating expenses.

Term	Monthly Base Rent	Estimated Monthly Operating Expense	Total Monthly Rent	Total Annual Rent
Months 1-12	\$15,460	\$996	\$16,456	\$197,472
Months 13-24	\$15,924	\$1,036	\$16,960	\$203,520

Months 25-36	\$16,402	\$1,077	\$17,479	\$209,748
Months 37-48	\$16,894	\$1,120	\$18,014	\$216,168
Months 49-60	\$17,401	\$1,165	\$18,566	\$222,792
Months 61-72	\$17,923	\$1,212	\$19,135	\$229,620
Months 73-84	\$18,461	\$1,260	\$19,721	\$236,652
Total:				\$1,515,972

The Strategic Facilities Governance Team has reviewed and approved the proposed lease agreement.