City of Austin

Recommendation for Action

File #: 26-2947, **Agenda Item #:** 42. 11/19/2026

Posting Language
Authorize negotiation and execution of an amendment to the lease agreement with Edward D. Jones & Co., L.P., a Missouri limited partnership d/b/a Edward Jones, on behalf of Austin Facilities Management for 3,240 square feet of office space in the City-owned One Barton Skyway building located at 1501 South MoPac Expressway, Austin, Texas 78746, one of two administrative office buildings that will serve as a new public safety headquarters for Austin Fire, Austin Police, and Austin-Travis County Emergency Medical Services, to amend the lease expiration date from May 31, 2033, to July 31, 2027, and waive the base rent and operating expenses under the lease from December 1, 2026, through July 31, 2027, in the amount of $107,486; and authorize staff to administratively extend the lease on a month-to-month basis for up to four months at a rental rate of no less than $10,233 per month plus Operating Expenses; and finding this lease amendment serves a public purpose and is of benefit to the City. Funding: This item is projected to reduce revenue in the Fiscal Years 2026-2033 Operating Budget of Austin Facilities Management by $1,136,576.

Lead Department
Austin Financial Services.

Fiscal Note
This item is projected to reduce revenue in the Fiscal Years 2026-2033 Operating Budget of Austin Facilities Management by $1,136,576.

Prior Council Action:
October 12, 2024 - Council approved the acquisition of two four-story Class A office buildings located at 1501 and 1601 South Mopac Expressway.

For More Information:
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Additional Backup Information:
The first purpose of this item is to authorize the negotiation and execution of an amendment to the lease agreement with Edward D. Jones & Co., L.P. d/b/a Edward Jones, a Missouri limited partnership, for Suite 310, consisting of approximately 3,240 rentable square feet of office space, in the City's future public safety headquarters facility located at 1501 South Mopac Expressway, Austin, Texas 78746. On October 12, 2024, Council authorized the acquisition of the building from G&I VII Barton Skyway LP and the assumption of the building's existing leases, including the lease with Edward Jones. The current lease term expires on May 31, 2033.

The second purpose of this item is to authorize staff to administratively extend the lease on a month-to-month basis, if needed, for up to four months at a rental rate of no less than $10,233 per month plus Edward Jones's share of Operating Expenses, estimated to be $3,351 per month.

The staff recommends:

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1. Amending the lease to provide for an earlier expiration date of July 31, 2027, which is five years and ten months earlier than the current expiration date of May 31, 2033 (thereby forgoing $1,029,090 in revenue: $772,411 in base rent and $256,679 in Operating Expenses);

2. Amending the lease to waive the base rent and Operating Expenses from December 1, 2026, through July 31, 2027 (thereby forgoing $107,486 in revenue: $80,773 in base rent and $26,713 in Operating Expenses); and

3. Authorizing staff to administratively extend the lease on a month-to-month basis after the new expiration date, if needed, for up to four months from August 1, 2027, through November 30, 2027, at a rental rate of no less than $10,233 per month plus Edward Jones's share of Operating Expenses, estimated to be $3,351 per month.

In exchange for forgoing the revenue (a total of $1,136,576), the City will take early possession of fully built-out Class A office space, reducing costs associated with needed renovations. The amendment will allow the City to complete any renovations necessary to accommodate the co-location of Austin Police, Austin Fire, and Austin-Travis County Emergency Medical Services into a single public safety headquarters campus significantly sooner than waiting until the end of Edward Jones's current lease term. Waiting would delay City occupancy and require bringing the contractor back later to complete the renovations, resulting in additional mobilization costs and the risk of increased costs due to inflation, tariffs, and supply shortages.

For these reasons, Austin Financial Services has determined that the reduction in revenue from the earlier lease expiration date of July 31, 2027, and from the waiver of rent and Operating Expenses is less than the increased costs associated with waiting until the current expiration date of May 31, 2033, to begin renovations. If Edward Jones extends the lease on a month-to-month basis after July 31, 2027, for all four months, the reduction in revenue could decrease by $54,336. If Edward Jones remains on the premises after November 30, 2027, the Holdover Percentage of Rent that applies under the lease is 150% for the first month of holdover, and 200% for any period of holdover beyond one month; in which case, the reduction in revenue would decrease accordingly.

By approving this item, Council finds that this lease amendment, including the resulting reduction in revenue, serves a public purpose and is of benefit to the City because it will allow the City to complete needed renovations and begin occupancy of the space for use as the new public safety headquarters in an overall more cost-effective and efficient manner.

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