City of Austin

Recommendation for Action

File #: 26-3033, **Agenda Item #:** 43. 11/19/2026

Posting Language
Authorize negotiation and execution of an amendment to the lease agreement with Austin Title Company, a Texas corporation, on behalf of Austin Facilities Management for 5,188 square feet of office space in the City-owned Two Barton Skyway building located at 1601 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, 2029, to May 31, 2027, and waive the base rent and operating expenses from October 1, 2026, through May 31, 2027, in the amount of $152,490; and authorize staff to administratively extend the lease on a month-to-month basis for up to two months at a rental rate of no less than $13,761.17 per month plus operating expenses, estimated at $5,202.51 per month; 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 2026-2029 Operating Budget of Austin Facilities Management by $629,866.

Lead Department
Austin Financial Services.

Fiscal Note
This item is projected to reduce revenue in the Fiscal Years 2026-2029 Operating Budget of Austin Facilities Management by $629,866.

Prior Council Action:
October 12, 2024 - Council approved the negotiation and execution of all documents and instruments necessary or desirable to acquire in fee simple approximately 13.83 acres, including two four-story Class A office buildings totaling approximately 390,963 square feet of office space and two five-level parking garages with approximately 1,551 garage and surface parking spaces, for municipal offices, located at 1501 and 1601 South Mopac Expressway, Austin, Texas 78746, from G&I VII Barton Skyway LP, in an amount not to exceed $107,892,000, including closing costs.

For More Information:
Brandon Williamson, Austin Financial Services, 512-974-5666; Michael Gates, Austin Financial Services, 512-974-5639; Kimberly Olivares, Austin Financial Services, 512-974-2924.

Additional Backup Information:
The first purpose of this item is to authorize the negotiation and execution of an amendment to the lease agreement with Austin Title Company, a Texas corporation (Austin Title), for Suite 120C, consisting of approximately 5,188 rentable square feet of office space, in the City's future public safety headquarters facility located at 1601 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 Austin Title. The current lease term expires on May 31, 2029.

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 two months at a rental rate of no less than $13,761.17 per month, plus Austin Title's

share of Operating Expenses, estimated at $5,358.59 per month.

The staff recommends:

1. Amending the lease to provide for an earlier expiration date of May 31, 2027, which is two years earlier than the current expiration date of May 31, 2029 (thereby forgoing $477,376 in revenue: $345,209 in base rent and $132,166 in Operating Expenses);

2. Amending the lease to waive the base rent and Operating Expenses from October 1, 2026, through May 31, 2027 (thereby forgoing $152,490 in revenue: $110,089 in base rent and $42,400 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 two months from June 1, 2027, through July 31, 2027, at a rental rate of no less than $13,761 per month plus Austin Title's share of Operating Expenses, estimated to be $5,359 per month.

In exchange for forgoing the revenue mentioned above (a total of $629,866), 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 Fire, Austin Police, and Austin-Travis County Emergency Medical Services into a single public safety headquarters campus significantly sooner than waiting until the end of Austin Title'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 May 31, 2027, and from the waiver of rent and Operating Expense is less than the increased costs of waiting until the current expiration date of May 31, 2029, to begin renovations.

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.

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