



City of Austin

Recommendation for Action

File #: 26-2104, **Agenda Item #:** 54.

7/23/2026

Posting Language

Authorize negotiation and execution of a second amendment to the lease agreement with Austin Executive Airport Services, LLC, a Texas limited liability company, for a term of 36 months, commencing on August 1, 2026, and ending on July 31, 2029. The lease amendment covers approximately 14,750 square feet of hangar building, including approximately 11,800 square feet of aviation hangar space and 2,950 square feet of office space, and exclusive use of 13,800 square feet of adjacent ramp space and 2,500 square feet of adjacent parking space, for Austin Police, located at 6012 Aviation Drive, Pflugerville, Texas 78660, for a total amount not to exceed \$611,337. Funding: \$32,966 is available in the Operating Budget of Austin Police. Funding for the remaining contract term is contingent upon available funding in future budgets.

Lead Department

Austin Financial Services.

Fiscal Note

Funding is available in the Fiscal Year 2025-2026 Operating Budget of Austin Police.

Funding for the remaining contract term is contingent upon available funding in future budgets.

Prior Council Action:

August 9, 2018 - Council authorized a 60-month lease agreement.

For More Information:

Brandon Williamson, Austin Financial Services, 512-974-5666; Michael Gates, Austin Financial Services, 512-974-5639; Michelle Schmidt, Austin Police, 512-974-5077.

Additional Backup Information:

Austin Police currently occupy approximately 14,750 square feet of hangar building AC604, comprising 11,800 square feet of aviation hangar space and 2,950 square feet of office space, and additionally exclusive use of 13,800 square feet of adjacent ramp space and 2,500 square feet of adjacent parking space at 6012 Aviation Drive, Pflugerville, Texas 78660. The subject property was formerly located within the Austin Extraterritorial Jurisdiction (ETJ) 2-mile but was released on September 1, 2023, under Senate Bill 2038. It is now within the jurisdiction of Travis County (SB 2038 ETJ Release).

Austin Police's initial lease term for the premises expired on April 14, 2026. To avoid holdover fees and ensure continuity of operations while lease renewal negotiations were being finalized, Austin Financial Services, on behalf of Austin Police, executed a short-term lease amendment to extend the tenancy through July 31, 2026. Renewing the lease for a term of 36 months will allow Austin Police to continue to provide essential services to the City, including operating its Air Support Unit, which consists of three helicopters and one fixed-wing aircraft.

The proposed second amendment includes a 36-month term, with a commencement date of August 1, 2026. The base rent will start at a rate of \$13.41 per square foot, which reflects the combined rental rate for both the

hangar and office space, as well as the installation of a 60' x 60' concrete helicopter pad adjacent to the building. Construction of the helicopter pad is expected to be completed by October 31, 2026. The base rent will increase by 3% annually. Austin Police will be responsible for paying utilities directly. The following table summarizes the proposed rent

Term:	Annual Rent Per SF	Annual Rent	Monthly Rent
August 1, 2026 - July 31, 2027	\$13.4100	\$197,798	\$16,483
August 1, 2027 - July 31, 2028	\$13.8123	\$203,731	\$16,978
August 1, 2028 - May 31, 2029	\$14.2243	\$209,808	\$17,484
Totals		\$611,337	-----

City-owned space is the preferred location for City Departments; however, due to the property's special purpose, location, and the unique operational requirements of the Air Support Unit, no other viable options exist to adequately house and support its functions, making a lease renewal at a competitive market rent the only feasible option.

An independent third-party appraisal was procured to establish the fair market rental rate. The appraisal supports the proposed lease terms.

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