



City of Austin

Recommendation for Action

File #: 25-1344, **Agenda Item #:** 91.

7/24/2025

Posting Language

Ratify the First Amendment to the Lease Agreement with Qvinci Software, LLC for an eight month extension to the lease, from May 1, 2025 through December 31, 2025, and authorize the negotiation and execution of a Second Amendment to the Lease Agreement with Qvinci Software, LLC for a six month extension to the lease, from January 1, 2026 through June 30, 2026, for Qvinci Software, LLC's lease of 8,094 square feet of office space in the City's Two Barton Skyway Building located at 1501 South Mopac Expressway, Austin, Texas 78746. This item is projected to result in additional revenue of \$164,050 in the current Fiscal Year and \$297,312 in the Fiscal Year 2025-2026 of the Operating Budget of the Building Services Department.

Lead Department

Financial Services Department.

Fiscal Note

This item is projected to result in additional revenue of \$164,050 in the current Fiscal Year and \$297,312 in the Fiscal Year 2025-2026 of the Operating Budget of the Building Services Department.

Prior Council Action:

October 12, 2024 - Council approved the purchase of 1501 and 1601 South Mopac Expressway, Austin, Texas 78746, from G&I VII Barton Skyway LP.

For More Information:

Michael Gates, Financial Services Department, 512-974-5639; Brandon Williamson, Financial Services Department, 512-974-5666; Darrell Alexander, Building Services Department, 512-974-7948.

Additional Backup Information:

The purpose of this item is to ratify the First Amendment and authorize the execution of a Second Amendment to the lease agreement with Qvinci Software, LLC, for Suite 350D, consisting of approximately 8,094 rentable square feet of office space, in the future public safety headquarters facility located at 1501 South Mopac Expressway, Austin, Texas 78746.

The amendments have been carefully considered and are in the best interest of the City, as they provide additional revenue before the tenant vacates the space. The First Amendment allows for an eight month lease extension from May 1, 2025, and expires on December 31, 2025. The Second Amendment will provide for an additional six month extension beginning January 1, 2026, and expiring on June 30, 2026.

Under the lease extensions, Qvinci Software, LLC continues to be responsible for the rent and other charges for any occupancy of the space until June 30, 2026. The lease extensions will not delay the office space renovations, which will eventually co-locate the Austin Fire Department, the Emergency Medical Services Department, and the Austin Police Department into a single public safety headquarters campus.

The proposed base rent for the office space is \$36.16 per square foot, and operating expenses are currently estimated at \$8,420 per month. The base rent includes a 3% increase from the rate paid in April 2025, which is

consistent with the rent escalator in the initial lease agreement. The operating expenses are estimated to increase by 4% in 2026.

The following table summarizes the rent and operating expenses:

Term	Monthly Base Rent	Monthly Operating Expenses	Total Monthly Rent	Total Rent
Amendment No. 1 May 1, 2025 - December 31, 2025	\$24,390	\$8,420	\$32,810	\$262,480
Amendment No. 2 January 1, 2026 - June 30, 2026	\$24,390	\$8,757	\$33,147	\$198,882
			TOTAL:	\$461,362

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