



City of Austin

Recommendation for Action

File #: 26-1219, Agenda Item #: 18.

3/12/2026

Posting Language

Authorize negotiation and execution of an amendment to the lease agreement with North Star Consultants, Inc. for 5,792 square feet of office space in the City's Two Barton Skyway Building located at 1601 South MoPac Expressway, Suite 475, Austin, Texas 78746, that will establish an earlier lease expiration date of October 31, 2026, and waive rent and other charges under the lease in an amount not to exceed \$184,778, and authorize staff to administratively extend the lease on a month-to-month basis for up to six months at a rental rate of no less than \$17,110.53 per month. Funding: This item is projected to reduce revenue by \$161,388 in the Fiscal Year 2025-2026 and \$23,390 in the Fiscal Year 2026-2027 Operating Budget of Austin Facilities Management.

Lead Department

Austin Financial Services.

Fiscal Note

This item is projected to reduce revenue by \$161,388 in the Fiscal Year 2025-2026 and \$23,390 in the Fiscal Year 2026-2027 Operating Budget of Austin Facilities Management.

Prior Council Action:

October 12, 2024 - Council approved acquisition of two four-story Class A office buildings totaling approximately 390,963 square feet and two five-level parking garages located at 1501 and 1601 South Mopac Expressway, Austin, Texas 78746.

For More Information:

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Additional Backup Information:

The purpose of this item is to authorize negotiation and execution of an amendment to the lease agreement with North Star Consultants, Inc. for Suite 475, consisting of approximately 5,792 rentable square feet of office space, in the City's future public safety headquarters facility located at 1601 South Mopac Expressway, Austin, Texas 78746. The purpose is also to authorize staff to administratively extend the lease on a month-to-month basis for up to six months at a rental rate of no less than \$17,110.53 per month.

On October 12, 2024, the City 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 North Star. The current lease term expires on November 30, 2031.

The staff recommends:

1. Amending the lease to provide for an expiration date of October 31, 2026, which is five years earlier than the current expiration date of November 30, 2031;
2. Amending the lease to waive the base rent and other charges under the lease from March 1, 2026,

- through October 31, 2026, in the amount of \$184,778; and
3. Authorizing staff to administratively extend the lease on a month-to-month basis from November 1, 2026, through April 30, 2027, at a rental rate of no less than \$17,110.53 per month, which is the current rental rate.

In exchange for foregoing rental revenue for the period of the waiver, the City will take early possession of fully built-out Class A office space, which will reduce costs associated with extensive renovations. The amendment will also allow the City to complete any renovations necessary to accommodate the co-location of the Austin Fire Department, the Austin/Travis County Emergency Medical Services Department, and the Austin Police Department into a single public safety headquarters campus significantly sooner than waiting until the end of the tenant's current lease term. Waiting would delay occupancy by the City and require bringing the contractor back at a later date 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 rent and charge waivers are less than the cost of delays.

By approving this item, Council finds that this lease amendment, including the waiver of rent and other charges, 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.