



City of Austin

Recommendation for Action

File #: 25-1696, Agenda Item #: 47.

8/28/2025

Posting Language

Authorize negotiation and execution of a lease amendment with 919 Congress Avenue, LLC, a Delaware limited liability company, to extend the current lease agreement for an additional 84 months through February 28, 2033 and to expand the leased office space from 2,312 square feet to 4,577 square feet for the Intergovernmental Relations Office, located at 919 Congress Avenue, Austin, Texas, 78701, for a total amount not to exceed \$2,226,586. Funding: \$217,052 is available in the Operating Budget of the Intergovernmental Relations Office. Funding for the remaining lease term is contingent upon available funding in future budgets.

Lead Department

Financial Services Department.

Fiscal Note

Funding in the amount of \$217,052 is available in the Fiscal Year 2025-2026 Operating Budget of the Intergovernmental Relations Office.

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

Prior Council Action:

October 04, 2018 - Council approved an 84-month lease renewal with 919 Congress Avenue, LLC, for approximately 2,312 square feet of office space for the Intergovernmental Relations Office, located at 919 Congress Avenue, Suite 500, Austin, Texas, in an amount not to exceed \$1,050,591.

For More Information:

Michael Gates, Financial Services Department, 512-974-5639; Brandon Williamson, Financial Services Department, 512-974-5666; Valerie Gomez, Intergovernmental Relations Office, 512-296-5675.

Additional Backup Information:

The Intergovernmental Relations Office (IGRO) currently occupies approximately 2,312 square feet of office space at 919 Congress Avenue, Suite 500, in Austin, Texas. The location provides important proximity to the State Capitol Complex. The current lease is set to expire on February 28, 2026. IGRO plans to renew its current lease and expand into the 2,265 square feet of adjacent space in Suite 510, to accommodate its growth. The proposed expansion will bring IGRO's total leased area to 4,577 square feet.

Until the extension date, IGRO will continue to pay the current base rent for the existing space in Suite 500 (2,312 square feet). IGRO will occupy the expansion space in Suite 510 upon completion of the finish-out work. The move-in date for the Suite 510 space is anticipated to take place no later than October 2025. From the expansion date, IGRO will pay the base rent of \$36.00 per square foot for the expansion space in Suite 510 (2,265 square feet). The proposed cost breakdown until February 28, 2026, including operating expenses, is as follows:

Term	Monthly Base Rent	Operating Expenses	Total Monthly Rent	Total Through February 28, 2026
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Expansion Date Estimated, October 2025 - February 2026	\$6,795	\$4,379	\$11,174	\$55,870
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The proposed lease amendment includes a new 7-year lease term, consisting of the existing space in Suite 500 and the expansion space in Suite 510. The Base Rent will start at \$36.00 per square foot, with annual increases of 3 percent. The current operating expenses are \$23.21 per square foot and are estimated to increase by 5% in 2026 to \$24.37 per square foot. The landlord will pay the entire cost of all required tenant improvements for the new suite.

The following table summarizes the rent and operating expenses for the expansion time frame plus the new 7-year lease term.

Term	Monthly Base Rent	Estimated Monthly Operating Expenses	Total Monthly Rent:	Total Annual Rent
10/1/25-2/28/26	\$6,795	\$4,379	\$11,174	\$55,870
3/1/26-2/28/27	\$13,731	\$9,295	\$23,026	\$276,312
3/1/27-2/29/28	\$14,143	\$9,760	\$23,903	\$286,836
3/1/28-2/28/29	\$14,567	\$10,248	\$24,815	\$297,780
3/1/29-2/28/30	\$15,004	\$10,760	\$25,764	\$309,168
3/1/30-2/28/31	\$15,454	\$11,298	\$26,752	\$321,024
3/1/31-2/29/32	\$15,918	\$11,863	\$27,781	\$333,372
3/1/32-2/28/33	\$16,396	\$12,456	\$28,852	\$346,224
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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 agreement.