



# City of Austin

## Recommendation for Action

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**File #:** 26-1833, **Agenda Item #:** 44.

5/28/2026

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### Posting Language

Authorize negotiation and execution of an amendment to the lease agreement with Engelhart CTP Management Corp., a Delaware corporation, on behalf of Austin Facilities Management for 8,828 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 new public safety headquarters for Austin Fire, Austin Police, and Austin-Travis County Emergency Medical Services, to amend the lease expiration date from January 31, 2027, to November 1, 2026. Funding: This item is projected to reduce revenue in the Fiscal Year 2026-2027 Operating Budget of Austin Facilities Management by \$99,636.

### Lead Department

Austin Financial Services.

### Fiscal Note

This item is projected to reduce revenue in the Fiscal Year 2026-2027 Operating Budget of Austin Facilities Management by \$99,636.

### Prior Council Action:

October 12, 2024 - Council approved the acquisition of approximately 13.83 acres, including two four-story Class A office buildings and two parking garages and surface parking.

### 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 purpose of this item is to authorize the negotiation and execution of an amendment to the lease agreement with Englehart CTP Management Corp., for Suite 425, which is approximately 8,828 rentable square feet of office space within the City's future public safety headquarters facility located at 1601 South Mopac Expressway. In October 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 Engelhart. The current lease term expires on January 31, 2027.

Staff recommends amending the lease to provide for an expiration date of November 1, 2026, which is three months earlier than the current expiration date of January 31, 2027.

In exchange for foregoing revenue (\$73,074 in base rent and \$26,562 in operating expenses) as a result of the earlier expiration date, the City will take early possession of fully built-out Class A office space, which will reduce costs associated with needed renovations. The amendment will allow the City to complete any necessary renovations to the space to accommodate an Austin Fire, Austin Police, and Austin-Travis County Emergency Medical Services move into a single public safety headquarters campus sooner than waiting until the Engelhart's current lease term. Waiting would delay City occupancy and renovations, resulting in additional costs due to inflation, tariffs, and supply shortages. For these reasons, Austin Financial Services has

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determined that the reduction in revenue resulting from the earlier lease termination date of November 1, 2026, is less than the increased costs associated with waiting until the expiration date of January 31, 2027.

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.