



City of Austin

Recommendation for Action

File #: 26-1514, **Agenda Item #:** 25.

4/23/2026

Posting Language

Authorize negotiation and execution of an amendment to the lease agreement with Fifth Lane Capital, LP, a Delaware limited partnership, for 1,024 square feet of office space in the City's University Park Building, the administrative office building to serve as a new colocation facility for Austin Capital Delivery Services and other departments, located at 3300 North Interstate Highway 35, Suite 380, Austin, Texas 78705, that will establish an earlier lease expiration date of April 1, 2026. Funding: This item is projected to reduce revenue by \$25,032 in the Fiscal Year 2025-2026 and \$12,516 in the Fiscal Year 2026-2027 of the Operating Budget of Austin Facilities Management.

Lead Department

Austin Financial Services.

Fiscal Note

This item is projected to reduce revenue by \$25,032 in the Fiscal Year 2025-2026 and \$12,516 in the Fiscal Year 2026-2027 of the Operating Budget of Austin Facilities Management.

Prior Council Action:

September 11, 2025 - Council approved an amendment to the lease agreement with Fifth Lane Capital, LP, a Delaware limited partnership, for 1,024 square feet of office space in the City's University Park Building.

May 7, 2025 - Council approved acquisition of an administrative office building to serve as a new facility for Austin Capital Delivery Services and other departments.

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 Fifth Lane Capital, LP, for Suite 380, consisting of approximately 1,024 rentable square feet of office space, in the future colocation facility for Austin Capital Delivery Services and other City's departments, located at 3300 North Interstate Highway 35, Suite 380, Austin, Texas 78705. On May 7, 2025, the City Council authorized the acquisition of the building from LHREV Austin University Park, LP, and the assumption of the building's existing leases, including the lease with Fifth Lane Capital, LP. The current lease term expires on December 31, 2026.

The staff recommends amending the lease to:

- Provide for an expiration date of March 31, 2026, which is nine months earlier than the expiration date of December 31, 2026; and
- Waive the base rent and other charges under the lease from April 1, 2026, through December 31, 2026, in the amount of \$37,548.

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 allow the City to complete any renovations necessary to accommodate the relocation of Austin Capital Delivery Services and other departments into a single City facility significantly sooner than otherwise waiting until the end of the tenant's 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 risking 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 facility in an overall more cost-effective and efficient manner.

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