



# City of Austin

## Recommendation for Action

**File #:** 25-1374, **Agenda Item #:** 95.

7/24/2025

### **Posting Language**

Authorize negotiation and execution of an amendment to the lease agreement with Germer PLLC for office space in the City's One Barton Skyway Building located at 1501 South Mopac Expressway, Austin, Texas 78746, to provide for a lease termination date of October 31, 2026, and authorize the tenant's right to an early termination of the lease after March 31, 2026, with a 30-day notice of tenant's intent to vacate. Funding: This item has no fiscal impact.

### **Lead Department**

Financial Services Department.

### **Fiscal Note**

This item has no fiscal impact.

### **Prior Council Action:**

October 12, 2024 - Council approved the negotiation and execution of all documents and instruments necessary or desirable to acquire in fee simple approximately 13.83 acres, including two four-story Class A office buildings totaling approximately 390,963 square feet of office space and two five-level parking garages with approximately 1,551 garage and surface parking spaces, for municipal offices, located at 1501 and 1601 South Mopac Expressway, Austin, Texas 78746, from G&I VII Barton Skyway LP, in an amount not to exceed \$107,892,000, including closing costs.

June 5, 2025 - Council approved the negotiation and execution of the lease agreement with Germer PLLC, for an earlier expiration of the lease on February 28, 2026, and waiver of rent and other charges under the lease from July 1, 2025, through February 28, 2026, in an amount not to exceed \$873,214.

### **For More Information:**

Michael Gates, Financial Services Department, 512-974-5639; Kimberly Olivares, Financial Services Department, 512-974-2924; Brandon Williamson, Financial Services Department, 512-974-5666.

### **Additional Backup Information:**

The purpose of this proposal is to authorize the execution of an amendment to the lease agreement with Germer PLLC for Suite 400, consisting of approximately 25,369 rentable square feet of office space, in the future public safety headquarters facility located at 1501 South Mopac Expressway, Austin, Texas 78746.

On June 5, 2026, the City Council authorized an earlier termination date of February 28, 2026, and authorized a waiver of rent and other charges in an amount not to exceed \$873,214. Subsequently, the staff learned that the tenant may require additional occupancy past March 2026 to accommodate their relocation to a new facility.

The staff recommends amending the lease to:

- Provide for a new lease expiration date of October 31, 2026;
- Provide Germer PLLC with the right to an early termination of the lease after March 31, 2026, with a 30-

day notice of tenant's intent to vacate;

- Provide for a waiver of rent and other charges under the lease from August 1, 2025, through March 31, 2026;
- Provide that Germer PLLC will be responsible for monthly rent and other charges from April 1, 2026, to October 31, 2026, at 100% of the Rent amount owed under the Lease for the month of March 2026; and
- Provide that Germer PLLC will be responsible for monthly rent and other charges for any holdover occupancy of the space after October 31, 2026, at 200% of the Rent amount owed under the Lease for the month of March 2026.

The amendment will enable the City to complete any necessary renovations to accommodate the co-location of the Austin Fire Department, the Emergency Medical Services Department, and the Austin Police Department into a single public safety headquarters campus significantly sooner than would otherwise be possible, without 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. This amendment will also provide additional time and greater flexibility for the tenant's relocation from the City's facility.

By approving this item, Council finds that this lease amendment, including the tenant's right to an early termination of the lease, 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.