



Austin Transit Partnership Board of Directors Resolution

Meeting Date: 6/16/2021

ATP-2021-019

f Sublease with Parsley Energy for 203 Colorado St.

SUBJECT: Approval of a resolution authorizing the Executive Director, or his designee, to negotiate and execute a Sublease Agreement (“Sublease Agreement”) with Parsley Energy, L.P. of approximately 32,000 square feet of administrative space located at 203 Colorado Street for a five and a half-year (66-month) term in an amount not to exceed ten million dollars (\$10,000,000.00).

FISCAL IMPACT: See Executive Summary for further explanation.

BUSINESS CASE: The Austin Transit Partnership (“ATP”) is growing quickly and needs office space for its employees, consultants and City partners working on the Project Connect program. This Sublease Agreement at below-market rates will help meet ATP’s space needs over the next five and a half years.

EXECUTIVE SUMMARY: In February, the Board authorized ATP to enter into a Master Cooperative Purchasing Agreement (the “Co-Op Agreement”) with the City of Austin, Capital Metropolitan Transportation Authority and Travis County to leverage certain of those agencies’ existing contracts to assist ATP in standing up the organization, including to meet its administrative space requirements.

On March 4, 2021, ATP entered into the Co-Op Agreement, and on April 14, 2021, ATP executed a separate contract with CBRE, Inc. (“CBRE”) in accordance with the terms of the Co-Op Agreement for real estate advisory and transaction services.

CBRE conducted market outreach and helped ATP assess its evolving space needs. CBRE and ATP staff determined that entering into a sublease, which offered space at a below-market cost and with a shorter lease term as compared to other evaluated properties, was the best approach.

This five and a half-year Sublease Agreement at 203 Colorado is for a stand-alone, two-story building in Downtown Austin. The space will be built out to accommodate offices, workstations and meeting space for ATP staff, consultants, City partners and visitors. The total amount will not exceed \$10 million for the term of the Sublease Agreement (i.e., approximately \$1.8M per year). Funding for lease costs for the remainder of this Fiscal Year (i.e., July 2021 through September 2021) of approximately \$400,000 are available in the FY2020-21 Approved Budget. Funding for the remainder of the lease term will be available in subsequent budgets.

RESPONSIBLE DEPARTMENT: Finance

PROCUREMENT SUMMARY: Does not apply.

**RESOLUTION
OF THE
AUSTIN TRANSIT PARTNERSHIP
BOARD OF DIRECTORS**

STATE OF TEXAS

**Resolution ID:
ATP-2021-019**

COUNTY OF TRAVIS

Approval of Sublease with Parsley Energy for 203 Colorado Street

WHEREAS, the Austin Transit Partnership Board of Directors (the “Board”) recognizes that, as the organization grows, it has certain administrative space requirements necessary for efficient operation and to meet the mission of the Austin Transit Partnership (“ATP”) to implement Project Connect; and

WHEREAS, the Board also recognizes that the staffing needs of the Austin Transit Partnership will continue to change over time, as will its space needs, and therefore, desires to move forward at this time with a sublease agreement to maintain flexibility and economy.

NOW, THEREFORE, BE IT RESOLVED by the Austin Transit Partnership Board of Directors that the Executive Director, or his designee, is authorized to negotiate and execute a sublease agreement with Parsley Energy, L.P., as landlord, for of approximately 32,000 square feet of administrative space located at 203 Colorado Street, Austin, Texas 78701 for a five and a half (5.5)-year term in an amount not to exceed ten million dollars (\$10,000,000.00).

Casey Burack
Secretary of the Board

Date: _____

