



Austin Transit Partnership Board of Directors Resolution

Meeting Date: 6/16/2021

ATP-2021-018

*Approval of Sublease with Parsley Energy for
301 Congress Avenue*

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 20,591 square feet of administrative space located at 301 Congress Avenue for a two-year (24-month) term and a total amount not to exceed one million four hundred thousand dollars (\$1,400,000).

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 short-term space needs.

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 two-year Sublease Agreement includes existing furniture and equipment and allows ATP to move in immediately after execution while longer-term administrative space is being readied for occupancy. It also provides workspace for future, additional staff and consultants. The total amount will not exceed \$1.4 million for the term of the Sublease Agreement (i.e., approximately \$700,000 per year). The first three months of the lease are at no cost to ATP. Funding for the remainder of the lease term will be available in subsequent budgets.

RESPONSIBLE DEPARTMENT: Finance

PROCUREMENT SUMMARY: Does not apply.



Austin Transit Partnership Board of Directors Resolution
Meeting Date: 6/16/2021
ATP-2021-018
Approval of Sublease with Parsley Energy for
301 Congress Avenue

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

STATE OF TEXAS

**Resolution ID:
ATP-2021-018**

COUNTY OF TRAVIS

Approval of Sublease with Parsley Energy for 301 Congress Ave.

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; and

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 approximately 20,591 square feet of administrative space located at 301 Congress Avenue, Austin, Texas 78701 for a two (2)-year term and a total amount not to exceed one million four hundred thousand dollars (\$1,400,000).

Casey Burack
Secretary of the Board

Date: _____