

COUNCIL ACTION FORM

SUBJECT: 24-MONTH OFFICE SPACE LEASE FOR INFORMATION TECHNOLOGY DIVISION OFFICES

BACKGROUND:

Since there currently is not adequate space available in City Hall to house all of the Information Technology Division, staff is separated into two locations – portions of the basement of City Hall and of the second floor of 428 - 5th Street (Red Cross Building).

Turnkey Investments L.L.C. recently purchased the building at 428 5th Street from the American Red Cross. During the time the Red Cross had the building for sale, the lease expired and the City continued paying rent on a month-to-month basis. After the new owner took possession of the building, the City began negotiation for a new lease.

A lease term of 24 months was chosen because there is currently a Capital Improvements Plan project, "City Hall Space Reuse Plan", approved for fiscal year 2009/2010 which may allow moving all of the Information Technology Division into City Hall. Staff anticipates that relocation is a minimum of two years away. The prior lease with Red Cross was \$1,270.00 per month, or \$15,240 per year; and the new lease will be for \$16,200 per year. All other rental terms are generally the same.

ALTERNATIVES:

1. Approve the lease agreement with Turnkey Investments, L.L.C. for a 24-month period to provide office space for the Information Technology Division at a cost of \$1,350.00 per month, or \$16,200 per year.
2. Do not approve the lease.

MANAGER'S RECOMMENDED ACTION:

By approving the lease between the City of Ames and Turnkey Investments, L.L.C., the City will be fixing the cost and securing office space for the Information Technology Division for the next 24 months.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1, thereby approving the lease agreement with Turnkey Investments, L.L.C. for a 24-month period to provide office space for the Information Technology Division at a cost of \$1,350.00 per month, or \$16,200 per year.