

COUNCIL ACTION FORM

SUBJECT: EXECUTIVE EXPRESS LEASE AT INTERMODAL FACILITY

BACKGROUND:

Under the approved Intermodal Facility operating agreement between the City of Ames and Iowa State University, CyRide staff is charged with negotiating leases for the terminal area of the building. Last year, staff prepared a one-year agreement for Executive Express that expires June 30, 2013. Their service began operating from the Intermodal Facility on July 1, 2012. Over the last six months, staff has worked with the carrier to negotiate a second year lease agreement that will provide office/waiting room space for Executive Express.

In negotiating a new lease agreement, the following sections of the existing lease agreement were modified.

- Contract term – changed to one-year agreement with no extensions.
- Utility costs were added at a per month cost - \$300 per month.
- Parking spaces for employee vehicles within the facility – added a third reserved parking space paid for by Executive Express.
- Insurance and indemnity clauses were modified to make clear coverage to both parties.
- New section on termination for convenience was added with a minimum 90 days notices to be provided.

The agreement has been reviewed and approved by the City's Legal Counsel and Risk Manager and by ISU's Project Manager for the Intermodal Facility, as well as its legal and risk management personnel.

The 2013-2014 lease rate will remain unchanged at \$1,000 per month based on a review of the Producer's Price Index (PPI) as of January 2013, which is unchanged from the 2012 PPI rate.

The Transit Board of Trustees approved the Executive Express one-year lease at their June 12, 2013 meeting. Recommended revisions to the agreement discussed by the Transit Board at that meeting have been incorporated into the agreement.

ALTERNATIVE:

1. Approve the Ames Intermodal Facility Commercial Tenant Lease with Executive Express for FY 2013-2014.

2. Direct staff to renegotiate a lease with Executive Express, with City Council direction on items to be renegotiated.
3. Do not approve a lease with Executive Express for space within the Ames Intermodal Facility.

MANAGER'S RECOMMENDED ACTION:

One of the two main purposes of the Ames Intermodal Facility is to coordinate transportation services within a single location. This agreement allows for this coordination to continue based on a negotiated lease rate. With Executive Express, Jefferson Lines and Burlington Trailways all housed at this facility, Ames residents and visitors can easily access transportation to locations outside of the community.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1, thereby entering into a one-year agreement with Executive Express for space within the Ames Intermodal Facility beginning July 1, 2013.