

COUNCIL ACTION FORM

SUBJECT: EXTENSION OF LEASE WITH MIDWEST CENTERS FOR TEMPORARY LIBRARY SPACES AT 620 LINCOLN WAY (LINCOLN CENTER) FOR LIBRARY RENOVATION AND EXPANSION PROJECT

BACKGROUND:

On September 25, 2012, the City Council held a public hearing and approved an agreement to lease premises owned by Midwest Centers, LP for occupancy by the Ames Public Library during completion of the Library Renovation and Expansion Project. The premises are located at 620 Lincoln Way and were leased for the 21-month period from November 1, 2012 to July 31, 2014. The Library collection, public service areas, and most staff workspaces are currently housed at Lincoln Center.

At the time the lease was executed, it was hoped that the permanent Library facility could be re-opened as early as July 2014, but it was contemplated that the timeline could be subject to change. To that end, the terms of the Lincoln Center lease state that "The Tenant may, at its option, extend the term of this lease on a month-to-month basis for up to 12 additional months with the same base rent and under the same terms and conditions as the Original Term."

The general contractor now expects substantial completion of the Library Renovation and Expansion Project toward the end of July. Delivery and installation of furniture and equipment is being scheduled during the month of July. Systems testing and the move back to Douglas Avenue are now anticipated to take place in the month of August. Library staff has determined that, even if the collection and other accoutrements can be relocated in August, additional time will be needed to sell or dispose of leftover furniture and shelving and to fully vacate the leased space.

The Library Board of Trustees considered the most recent timeline in November and December. On December 18, 2013, the Board adopted a resolution recommending that the City Council exercise its option to extend the lease term with Midwest Centers, LP for the properties at 620 Lincoln Way for two additional months at the **current lease rate of \$14,300 per month** to allow time for the relocation of library operations, furniture, and equipment in conjunction with completion of the Library Renovation and Expansion Project. The \$28,600 cost of the two-month extension can be covered out of the building project contingency fund, which remained at \$1,049,704 as of December 31, 2013.

ALTERNATIVES:

1. Extend the lease with Midwest Centers, LP, for the premises at 620 Lincoln Way for the months of August and September 2014 at the rate of \$14,300 per month.
2. Take no action, thereby requiring the library to completely vacate the premises at 620 Lincoln Way by July 31, 2014.

MANAGER'S RECOMMENDED ACTION:

The Library building at 515 Douglas Avenue was vacated in December 2012 so that contractors could begin work on the Library Renovation and Expansion Project. At the time the lease was executed, it was anticipated that the permanent Library would be re-opened in July 2014. However, construction, delivery, and equipment installation dates for a project of this scale are subject to change. Therefore, at this time it is best to provide an additional two months to allow moving of the collection and sale or disposal of leftover items. There is a possibility that additional lease extension may be need to be considered should any delays to the project arise.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1 as described above.