

COUNCIL ACTION FORM

SUBJECT: JEFFERSON LINES 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. In 2012, staff prepared a three-year agreement for Jefferson Lines and Burlington Trailways that expires June 30, 2015. Their service began operating from the Intermodal Facility on July 1, 2012. Over the last six months, staff has worked with Jefferson Lines to negotiate a new three-year lease agreement that will provide shared office/waiting room space for Jefferson Lines and Burlington Trailways.

In negotiating a new lease agreement, the following issues were modified in the new lease agreement.

- Contract term
- Higher lease rate - \$15 per month more

Each of these changes are discussed below:

1. Basic Provisions –

- Lease starts on July 1, **2015** and expires June 30, **2018**. (Discussions about the renewal would start in January of each year.)
- **\$920.00 per** month lease rate with Producer's Price Index used to calculate the increase each year. Utilities would be \$200 per month with an annual reconciliation of actual versus paid tenant costs. Rent would be paid to ISU's Parking Division Manager.

The agreement has been reviewed and approved by:

- City of Ames Legal Counsel and Risk Manager
- ISU's Project Manager for the Intermodal Facility as well as its legal and risk management personnel

The Transit Board of Trustees approved the Jefferson three-year lease at their March 26, 2015 meeting.

ALTERNATIVE:

1. Approve the Ames Intermodal Facility Commercial Tenant Lease with Jefferson for a three-year period.
2. Direct staff to renegotiate a lease with Jefferson, with City Council direction on items to be renegotiated.
3. Do not approve a lease with Jefferson 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 approving a three-year agreement with Jefferson for space within the Ames Intermodal Facility.