

COUNCIL ACTION FORM

SUBJECT: YOUTH AND SHELTER SERVICES USE OF MUNICIPAL LOT P

BACKGROUND:

In October 2018, City Council approved a three-year lease extension with Youth and Shelter Services (YSS) for use of Municipal Lot P at 308 5th Street. Lot P was originally leased to YSS as part of the Development Agreement for renovation of the old City Hall at 420 Kellogg Avenue beginning in 1995. The last time the lease was renewed, it was at the lease rate of \$35/space/month.

The current rate for reserved parking space rental in other City lots is \$50/month/space. However, in other parking spaces, the City provides for ongoing maintenance of the lot. YSS is currently responsible for annual maintenance of Lot P; staff values this maintenance at approximately \$15/space/month. It should be noted that the lease agreement requires this maintenance be performed at the lessor's sole expense.

The proposed lease extension would continue the rental rate of \$35/space/month for the first 5-years. For years six to ten, the rental rate would be whatever the current City-wide reserved rental rate minus the \$15/space/month in recognition of YSS conducting the routine maintenance activities. **The lease may be terminated upon a 120-day written notice for any reason, such as if there is ever a different public need for the use of the property.**

Because the lease period is more than three years, a public hearing must be held before the lease can be approved. The current lease agreement expired as of August 31, 2021, therefore staff is requesting that a Public Hearing be set for September 28, 2021, to approve the 10-year parking lease with YSS effective September 1, 2021.

ALTERNATIVES:

1. Set the date of Public Hearing on September 28, 2021, for approval of the final parking lease agreement with Youth and Shelter Services for Municipal Lot P.
2. Modify the draft agreement and then set the date of public hearing.
3. Reject the lease extension and convert the parking stalls to the standard 24-hour Reserved Parking at \$50/space/month.

CITY MANAGER'S RECOMMENDED ACTION:

By maintaining the current arrangement with YSS, the City can ensure the fair application of the policy as well as supporting the goals of maintaining the parking system. Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1 as described above.

Return document to: City Clerk, P.O. Box 811, 515 Clark Ave., Ames, IA 50010

Document prepared by: Victoria A. Feilmeyer, City of Ames Legal Department, 515 Clark Ave., Ames, IA 50010 – 515-239-5146

**AMENDMENT EXTENDING TERM OF PARKING LOT
LEASE BETWEEN THE CITY OF AMES AND YOUTH
AND SHELTER SERVICES, INC.**

THIS IS AN AMENDMENT to a Lease Agreement made by and between the City of Ames, Iowa, and Youth and Shelter Services, Inc., upon the following terms and conditions:

1 DEFINITIONS. When used in this Amendment, unless otherwise required by the context:

- 1.1 “City” means the City of Ames, Iowa, an Iowa Municipal Corporation, the lessor of the property herein.
- 1.2 “YSS” means Youth and Shelter Services, Inc., an Iowa Nonprofit Corporation, the lessee of the property herein.
- 1.3 “Agreement” means the Agreement identified as “LAND LEASE PARKING LOT P” presently in force between the City and YSS dated July 1, 2012, and any amendments thereto, governing the lease by YSS of certain parking spaces from the City located in City parking Lot P.
- 1.4 “Amendment” means this instrument as signed by the City and YSS. The intent of the parties is to extend the existing parking lot lease by ten years starting September 1, 2021, to set the rental rate at \$35.00 per month per leased space for the first five years (until August 31, 2026) and to set the rental rate to an amount equal to the City’s regular reserve rental rate, less a \$15 per space discount to reflect YSS performing routine lot maintenance, per parking space leased by YSS from the City for years six through ten of the Agreement.
- 1.5 “Leased Property” means the property (together with all easements and servient estates appurtenant thereto) situated in Story County, Iowa, identified as 14 parking spaces located in Parking Lot P, at 308 5th Street, Ames, Iowa (*Parcel ID number 09-02-378-045*), upon real property legally described as: Lot 7, except the West 15 feet thereof, and Lots 5 and 6, in the Original Town of Ames, Story County, Iowa.

1.6 "Routine Lot Maintenance" means any regular maintenance activities including, but not limited to, cleaning, paint striping, and snow removal.

2 **AMENDMENT.** The Agreement is amended by deleting therefrom Paragraph 1, in its entirety and by substituting in lieu thereof the following:

The term of this lease shall be for a period commencing upon the expiration of the term contained in the Amendment filed November 15, 2018, as Instrument No. 2018-10020, and terminating without further notice on August 31, 2031. Any extension of this lease beyond the term shall be in writing and shall require the parties to negotiate the terms of the lease agreement.

3 **FURTHER AMENDMENT.** The Agreement is further amended by deleting therefrom Paragraph 2, in its entirety and by substituting in lieu thereof the following:

The parties acknowledge and agree that the City may need Lot P for redevelopment in the area, public parking, or any other purpose during the term of this Agreement. Either party may terminate the lease for any reason, at any time, upon 120 days written notice to the other party.

4 **FURTHER AMENDMENT.** The Agreement is further amended by deleting therefrom Paragraph 3, in its entirety and by substituting in lieu thereof the following:

YSS agrees to pay to the City for the use of said premises herein mentioned the following. \$35.00 per parking space, per month, for each month starting September 1, 2021, and ending August 31, 2026.

YSS agrees to pay the City for the use of said premises herein mentioned the following: The regular City rental rate for reserved parking spaces less the sum of \$15.00 per parking space to reflect YSS performing routine lot maintenance, per month, for each month starting September 1, 2026, and ending August 31, 2031.

5 **FURTHER AMENDMENT.** The Agreement is further amended by deleting therefrom Paragraph 4, in its entirety and by substituting in lieu thereof the following:

All prior maintenance obligations as stated in the original 2012 Lease Agreement shall remain in force with all routine lot maintenance obligations (including, but not limited to: cleaning, paint striping and snow removal), being the obligation of YSS and not the City.

6 **CONTINUED FULL FORCE.** The Agreement shall continue to have full force and effect in accordance with the terms thereof, subject, however, to this Amendment. All prior maintenance obligations as stated in the original Lease and all Amendments thereto shall remain in force.

IN WITNESS WHEREOF, the City and YSS have executed this Amendment on this _____ day of _____, 2021.

Dated _____, 2021.

CITY OF AMES, IOWA

By: _____
John A. Haila, Mayor

Attest
by: _____
Diane R. Voss, City Clerk

STATE OF IOWA, COUNTY OF STORY, SS.:

This instrument was acknowledged before me on _____, 2021, by John A. Haila and Diane R. Voss, as Mayor and City Clerk, respectively, of the City of Ames, Iowa.

NOTARY PUBLIC

Dated _____, 2021.

YOUTH AND SHELTER SERVICES, INC.

By: _____
Andrew Allen, President

STATE OF IOWA, COUNTY OF STORY, SS.:

This instrument was acknowledged before me on _____, 2021, by Andrew Allen, as President of Youth and Shelter Services, Inc.

NOTARY PUBLIC