

COUNCIL ACTION FORM

SUBJECT: RENEWAL OF LEASE FOR INFORMATION TECHNOLOGY OFFICE SPACE AT 428 5TH STREET

BACKGROUND:

Due to space limitations within the City Hall building, the primary offices for the City of Ames Information Technology Division have been located in leased space at 428 - 5th Street (Red Cross Building). Turnkey Investments L.L.C. is the owner of the building and entered into a two- year lease with the City in October 2009 with an option for renewal for an additional two years. Notice of renewal is now required to exercise the option under current terms.

The City is currently in the early stages of making improvements to usage of space in City Hall. The primary area that will be modified for other use is the old jail facility that is no longer used. Modifications will be made to public safety dispatch, the Emergency Operations Center, Police Department facilities and the basement areas. These modifications will allow for moving the Information Technology Division from the leased space to City Hall. As with any remodeling project, there will be a fair amount of moving various operations around temporarily while work is being done. Keeping Information Technology in the current leased space will provide some transitional space within City Hall during the remodeling project. Information Technology will move into City Hall at the end of the project.

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 \$1,430 per month, or \$17,160 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 \$1,430 per month, or \$17,160 per year. This rent amount represents a 6% increase over the \$16,200 annual payment made in the current year.