

ITEM # 34
DATE: 09-11-12

COUNCIL ACTION FORM

**SUBJECT: AUTHORIZATION TO ENTER INTO LEASE AGREEMENT WITH
MIDWEST CENTERS FOR SPACE LOCATED AT 620 LINCOLN WAY
DURING RENOVATION OF EXISTING LIBRARY BUILDING**

BACKGROUND:

The Ames Public Library is in the process of implementing a major renovation and expansion project approved by a voter referendum on November 8, 2011. **Due to the complexity of the project, the Library must relocate its public operations and business offices during the construction. Space has been identified in Lincoln Center, 620 Lincoln Way, formerly occupied by Hastings and Harrison Sports.**

The space was chosen by the Library Board of Trustees after consideration of other locations in the community. The Lincoln Center location is easily accessible by public transportation, and provides free parking, and adjacent space for library business offices. In addition, this location will allow the Library to remain close to the heart of the community.

When Hastings vacated its premises in late 2009, a portion of the space was leased to Hobby Lobby. In conjunction with Hobby Lobby's expansion, the restrooms were removed and the space was left unfinished. **The rent for the first month will be \$14,300 plus the costs of on-site improvements (\$114,000) necessary for compliance with the operational needs of the Library and to meet Code requirements for a public facility. The remaining lease payments will be \$14,300 per month. The lease agreement begins November 1, 2012, and ends July 31, 2014; but may be extended on a month-to-month basis by mutual agreement, with a required six-month notice per extension.**

Staff recognizes that entering into this lease agreement prior to the receipt of bids for the major construction project presents a certain amount of risk. However, the most recent estimates from the professional consultants (based on 90% complete construction documents) provide alternatives that keep the project within the available revenues for the project, currently estimated to be \$20,085,000.

Based on the timeline shown below, the building at 515 Douglas Avenue must be vacated prior to December 3.

October 2012	Landlord makes improvements required by lease at 620 Lincoln Way prior to Library taking possession First \$4.5 million of General Obligation revenues becomes available for the project
October 11, 2012	Anticipated bid due date for abatement project
November 1 – 15, 2012	Library prepares space at 620 Lincoln Way for public use (installation of shelving; counters; book drop; check-out stations; phone; security and data infrastructure)
November 15, 2012	Anticipated date of bid opening for renovation and expansion project
November 16 – 30	Library relocates collection, staff offices, and records to 620 Lincoln Way space.
November 27, 2012	Anticipated date for Council award of abatement project and construction project
December 3, 2012	Abatement of asbestos and lead-based paint begins at 515 Douglas
December 2012	Library begins operations from leased locations
January 2013 – June 2014	Renovation and expansion construction takes place
July 2014	Anticipated date for Library opening on Douglas Avenue in spectacular new surroundings

ALTERNATIVES:

1. Establish September 25, 2012, as the date to hold a public hearing on the proposal to enter into an agreement with Midwest Centers to lease two spaces located at 620 Lincoln Way during the renovation and expansion of the existing library building.
2. Delay the hearing and action on the lease.

MANAGER'S RECOMMENDED ACTION:

The City issued debt in August 2012 to commence the library renovation and expansion project, as approved by the voters in 2011, based on the project schedule noted above. In order for the facility to be available for both abatement and construction work, it is necessary for the Library to vacate the premises prior to December 3. Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1 as described above.