

COUNCIL ACTION FORM

SUBJECT: PUBLIC HEARING FOR CONSIDERATION OF LEASE RENEWAL FOR BUILDING OCCUPIED BY HEARTLAND SENIOR SERVICES

BACKGROUND:

On July 1, 1988, the City entered into a 25 year lease with Story County Council on Aging, now Heartland Senior Services (HSS) at 205 South Walnut. The property was originally acquired by the City using Community Development Block Grant (CDBG) funding through the State of Iowa for the purpose of providing a Senior Center. The use must remain for the community and have a focus on serving low-income individuals. HSS meets the intent of the CDBG grant.

The existing lease refers to this site as the "Wilson School Senior Service Center". The lease required that HSS maintain the building in a reasonably safe and serviceable condition. The lease also requires HSS to provide its own furnishings for the facility. In return, the City requested a payment of \$1.00 for the 25 year lease in 1988.

Although the current lease does not expire until June 30, 2013, HSS has requested that the City Council renew the lease early as they need assurance on the continuance of the lease prior to making a major investment in the roof. HSS is no longer providing transit services, since HIRTA took over this summer. Therefore issues with parking which caused concern in the past no longer exist on the site.

The City Attorney reviewed the lease terms and requested updated insurance provisions from the City's Risk Manager. These were the only significant changes to the lease requirements for HSS. Otherwise, the lease is substantially the same as it was approved in 1988 and is set up as a no cost lease for this renewal. HSS will continue to be completely responsible for the care and upkeep of the facility.

ALTERNATIVES:

1. Set a public hearing date of November 13, 2012 for consideration of a 25 year lease renewal with Heartland Senior Services for the building located at 205 South Walnut.
2. Do not set a public hearing for the lease renewal with Heartland Senior Services.

MANAGER'S RECOMMENDED ACTION:

The existing lease is expiring on June 30, 2013, and HSS has requested that the City Council renew the lease in advance so that it can make the necessary roof repairs with confidence in continuing its operations at this location.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1, thereby setting the date of public hearing for the extension of the lease with HSS for November 13, 2012.