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ITEM # 32
Date 07-23-13

COUNCIL ACTION FORM

**SUBJECT: LEASE AGREEMENT FOR VEENKER GOLF COURSE MAINTENANCE
BUILDING IN MOORE MEMORIAL PARK**

BACKGROUND:

The Board of Regents of Iowa State University entered into a lease agreement with the City of Ames to allow for the construction of a maintenance building on City of Ames property in Moore Memorial Park. The lease does not specify the permitting process that is required for this site, but it generally states that the *University agrees to comply with all applicable laws, regulations, and ordinances*, please see the attached lease that was recorded on July 19, 2012.

The City staff understands that Iowa State University construction projects which occur on land owned by the State are not subject to the requirements of the City of Ames Municipal Code, however the Veenker Golf Course maintenance building is located on City of Ames land that is leased to Iowa State University. The City Attorney was asked to clarify who is responsible for reviewing the project and determining compliance with applicable codes, as well as the responsibility for inspection of the building. The Ames City Attorney responded that the maintenance building would not be subject to the City of Ames building codes and inspections, rather the State of Iowa would conduct the review and issue the applicable permits.

As the Ames City Attorney researched the applicable party responsible for code review and inspections, it was noticed that the lease fully described the approved uses that were to occur within the maintenance building, as follows:

3. Said premises shall be used by the University solely as a golf maintenance building for Veenker Golf Course equipment and vehicles, and storage for tools, equipment, and other items necessary for the operation of Veenker Golf course and the maintenance of its grounds...

During the review process the Ames City Attorney determined that there are uses within the maintenance building that are not specified within the lease. The two offices and break room which are identified on the attached main level floor plan, are not included in the lease agreement. Although these rooms do not change the occupancy of the building, the City Attorney has stated that she would not advise the inclusion of the office and break room spaces because they are clearly outside of the terms of the lease.

Ames City staff has been in contact with Iowa State University to discuss options to accurately represent the uses that are proposed for the maintenance building and future uses that may occur.

ALTERNATIVES:

1. Direct staff to draft an amended lease document to clarify the proposed uses within the maintenance building and future ancillary uses.
2. Direct staff to allow the uses as proposed without amending the existing lease.
3. Terminate the lease and do not allow office and/or break room uses within the maintenance building.

MANAGER'S RECOMMENDED ACTION:

The office and break room uses are secondary to the primary maintenance usage of this building. The oversight of not including these uses within the lease document can be remedied, therefore it is the recommendation of the City Manager that the City Council adopt Alternative No. 1.

This alternative will direct the City Attorney to draft an amended lease agreement to clarify the proposed uses within the maintenance building and future ancillary uses, thereby allowing continued construction of the maintenance building as proposed.

July 18, 2013

The Honorable Ann Campbell
Mayor, City of Ames

City Council Members

515 Clark Avenue
Ames, IA 50010

**RE: Proposed Amendment - Veenker Golf Course Maintenance Building
Lease Agreement**

Dear Mayor Campbell and City Council Members:

The University supports the proposed amendment to the Veenker Golf Course Maintenance Building lease agreement. The new maintenance facility will replace existing facilities currently located in the flood plain. Activities at the facility will not differ from current activities. The new building will include offices, break room space, bathrooms and a shower, all of which existed in the old building at one point prior to flood damages.

Very truly yours,



Warren R. Madden
Senior Vice President for Business and Finance

DO NOT WRITE IN THE SPACE ABOVE THIS LINE, RESERVED FOR RECORDER

Prepared by: Judy K. Parks, City Attorney, 515 Clark, Ames, Iowa 50010 (Phone: 515-239-5146)

Return to: Ames City Clerk, P. O. Box 811, Ames, Iowa 50010-0811

ADDENDUM TO LEASE AGREEMENT

**CITY OF AMES
TO THE BOARD OF REGENTS, STATE OF IOWA ACTING FOR
IOWA STATE UNIVERSITY OF SCIENCE AND TECHNOLOGY
(Veenker Golf Course Maintenance Building in Moore Memorial Park)**

THIS LEASE ADDENDUM made this ___ day of August, 2013, between the City of Ames, Iowa, hereinafter called "City", and the Board of Regents, State of Iowa acting for the Iowa State University of Science and Technology, hereinafter called "University",

WITNESSETH THAT:

WHEREAS, the City and the University executed a Lease Agreement on March 27, 2012, concerning a golf facility maintenance building to be built by the University on land comprising a portion of the City's Moore Memorial Park; and,

WHEREAS, the Lease Agreement set forth specific uses which were approved for the maintenance building: and,

WHEREAS, in the course of construction it was determined that there may be other desirable uses both in the maintenance building currently under construction, as well as future ancillary uses that may be found necessary for this golf course maintenance building to best serve the golf course but which would not be allowed under the present terms of the Lease; and,

WHEREAS, amending the Lease Agreement will allow more flexibility for uses now known to be needed and as well as for future needs;

NOW, THEREFORE, in consideration of the premises, the City and University do hereby agree to amend §3 of the original Lease Agreement of March 27, 2012, to provide that said premises shall be used by the University solely as a golf maintenance building for Veenker Golf Course equipment and vehicles, with storage for tools, equipment, and other items necessary for the operation of Veenker Golf Course and the maintenance of its grounds as the primary use of said building, with ancillary uses, including, but not limited to, up to two offices and a break room, permitted therein. However, the outdoor storage of equipment, vehicles, tools, and other items associated with the above use shall not be permitted on the leased area, unless agreed upon in advance by the City and the University in writing.

PROVIDED THAT in all other terms and provisions the Original Lease Agreement shall remain in full force and effect.

IN WITNESS THEREOF the parties hereto have caused this lease to be signed by their duly authorized representatives as of the date first above written.

**IOWA STATE UNIVERSITY OF
SCIENCE AND TECHNOLOGY**

By: _____
Warren Madden
Vice President for Business and Finance

BOARD OF REGENTS, STATE OF IOWA

By: _____
Robert Donley
Executive Director

CITY OF AMES, IOWA

By: _____
Ann H. Campbell
Mayor

By: _____
Diane R. Voss
City Clerk