

**COUNCIL ACTION FORM**

**SUBJECT:** HEARTLAND SENIOR SERVICES REQUEST TO SUBLEASE  
OFFICE SPACE TO BETHANY LIFE AT THE CITY-OWNED  
PROPERTY LOCATED AT 205 S. WALNUT AVENUE

**BACKGROUND:**

In July 2013 the City Council approved extending the lease agreement between the City and Heartland Senior Services (HSS) for the city-owned property located at 205 South Walnut Avenue for 25 years. This new lease term will expire on June 30, 2037.

Under Article 7 of the lease agreement it states that “Heartland shall not assign or sublet the premises or any portion thereof without the prior written consent of the City.”

Heartland is requesting the consent of the City to sublease approximately 264 square feet of office space to Bethany Life (BL). **Similar to HSS, BL is a non-profit organization that exists to serve and support older adults throughout Ames and greater Story County. Two (2) BL staff members would be located in this office space. These employees are involved in three programs that BL offers to Ames residents as follows:**

- 1) Bethany at Home: 80 Ames households participate  
This program assists seniors to live independently as long as possible in their own homes. At an hourly rate, Bethany provides handyman services, snow removal, lawn care, homemaker services, nurse visits, IT support, etc.
- 2) Life Choices: 63 Ames households participate  
Is a continuing care at home program designed to deliver a range of services and support throughout a seniors lifetime; again with the goal for older adults to maintain their independence and remain at home.
- 3) Life Bridge Transitional Care: Approximately 100 Ames residents annually  
Following surgery many patients need additional nursing care 24/7 and utilize Bethany Life. Once they are able to return home they may need assistance in making this transition successfully.

**HSS and BL staff members have discussed coordinating complimentary services HSS and BL share a common goal of connecting seniors with available resources that will allow them to live independently as long as possible. By having staff members from HSS and BL in the same building with increased communication, it is anticipated that duplication of services**

**can be eliminated and opportunities to collaborate in the delivery of older adult services could be increased.**

BL would rent the square footage from HSS at a cost of \$1,300 per month. This monthly amount will be paid directly to HSS. The lease term will run concurrent with HSS's lease term with the City with an added clause that each party can terminate the lease with a 120 days advance written notice. The lease is a "gross lease" that includes, among other things, utilities, janitorial service, Wi-Fi service, parking, snow removal, and lawn care. Additionally, a new sign will be placed in front of the building, which include both agency's logos and contact information (Attachment A.)

Annually, HSS pays the City \$1 per year. However, HSS is responsible for all building related costs and capital improvements. Annually, building operational expenses total \$65,000.

### **ALTERNATIVES:**

- 1) The City Council can approve a resolution to allow Heartland Senior Services to sub-lease 264 square feet of office space to Bethany Life, in the amount of \$1,300 per month, in accordance with Article 7 of the Lease Agreement between the City and HSS for the city-owned property at 205 S. Walnut Avenue.
- 2) The City Council can deny a resolution to allow Heartland Senior Services (HSS) to sub-lease 264 square feet of office space to Bethany Life, in the amount of \$1,300 per month, in accordance with Article 7 of the Lease Agreement between the City and HSS for the city-owned property at 205 S. Walnut Avenue.
- 3) The City Council can refer this item back to staff.

### **CITY MANAGER'S RECOMMENDED ACTION:**

Heartland Senior Services currently does not have a specific need for the office space that is the subject of the proposed lease. Both of these non-profit agencies have the goal of supporting Ames and greater Story County seniors to remain independent as long as possible. Additionally, if duplication of services can be eliminated and collaboration opportunities increased, this will be a win-win for both agencies and for the older adults they serve.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative 1. This action will approve a resolution to allow Heartland Senior Services to sub-lease 264 square feet of office space to Bethany Life, in the amount of \$1,300 per month, in accordance with Article 7 of the Lease Agreement between the City and HSS for the city-owned property at 205 S. Walnut Avenue.

## ATTACHMENT A



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S P A C E   A B O V E   R E S E R V E D   F O R   O F F I C I A L   U S E

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**Return document to:** Ames City Clerk, 515 Clark Avenue, Ames IA 50010-0811

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

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### ***AGREEMENT FOR AND CONSENT TO SUBLEASE***

This is an Agreement for and Consent to Sublease by and between City and Tenant upon the following terms and conditions:

1.    **DEFINITIONS.** As used in this Agreement, the following terms shall have the meanings set out.

- a.    "City" means the City of Ames, Iowa, an Iowa municipal corporation located in Story County, Iowa, with principal offices and mailing address of 515 Clark Ave., Ames, IA 50010 Attn: City Clerk.
- b.    "Tenant" means Heartland Senior Services, an Iowa nonprofit corporation with principal offices and mailing address of 205 S Walnut St., Ames, IA 50010.
- c.    "Subtenant" means Bethany Manor, Inc., doing business as Bethany Life, with principal offices and mailing address of 212 Lafayette Ave., Story City, IA 50248.
- d.    "Property" means the property at 205 S Walnut Street, in the City of Ames, formerly known as the Willson School Building, and legally described as:

Lots 1, 4, 5, 8, and the West 52 Feet of Lot 9, all in Block B, Black's Second Addition to Ames, Iowa; and the East one-half (E1/2) of the vacated alley lying immediately West of said described lots.

- e. "Lease" means that certain agreement dated November 13, 2012, filed November 13, 2012, and recorded as Instrument No. 12-14373 between City as Landlord and Tenant.
  - f. "Agreement" means this instrument as executed by the parties hereto.
2. **CIRCUMSTANCES & PURPOSE.** City and Tenant entered into Lease for the Property and provided in paragraph 7 of the Lease that Tenant may sublease a portion of the property upon consent of City. Tenant proposes to sublease to Subtenant to provide 264 square feet of office space for Subtenant's programs that are consistent with the Lease's purpose of providing services to senior citizens.
  3. **CONSENT.** Pursuant to paragraph 7 of the Lease and in consideration of the agreements and warranties of this Agreement, City hereby consents to a sublease by Tenant to Subtenant of 264 square feet of office space in the Property.
  4. **ASSIGNMENT (FOR SECURITY).** Tenant hereby absolutely assigns and transfers to City Tenant's interest in the sublease and all rentals and income arising therefrom, provided however, that this assignment shall take effect upon any default by Tenant under the Lease.
  5. **INDEMNITY.** Tenant (Indemnitor) agrees to indemnify and hold City (Indemnitee) harmless as to all claims asserted and suits prosecuted against Indemnitee by Subtenant and other third parties for injuries and damages to persons or property arising out of acts or omissions of Indemnitor and Indemnitor's relationship to Indemnitee arising under this Agreement, provided, however, that the proximate cause of such injury or damage is not Indemnitee's negligence or other wrongful act. Indemnification under this paragraph shall include, but not be limited to, a judgment amount awarded by a court plus accrued interest, a negotiated settlement amount, fines, penalties, and attorney fees and other costs of defending against such claims and suits.
  6. **CONTINUING OBLIGATION & REAFFIRMATION OF LEASE.** The permission to sublease in no way releases the above-named Tenant from any obligation, responsibility or duty of the tenant as set forth in the Lease. The Lease terms are hereby reaffirmed. City's consent granted herein shall not constitute a consent to a subsequent subletting or assignment. Any changes or modifications to the sublease without City's consent shall be voidable at the option of City in the exercise of its sole and absolute discretion.

(Signatures on Pages Following)

By authority of the City Council approved on the \_\_\_\_ day of \_\_\_\_\_,  
2017.

**CITY OF AMES, IOWA**

By: _____	Attest By: _____
<b>Ann H. Campbell</b> , Mayor	<b>Diane R. Voss</b> , City Clerk

**STATE OF IOWA, COUNTY OF STORY, SS.:**

This record was acknowledged before me on the \_\_\_\_ day of \_\_\_\_\_,  
2017 by Ann H. Campbell and Diane R. Voss as mayor and clerk of the City of Ames,  
Iowa.

\_\_\_\_\_  
**NOTARY PUBLIC**

Dated the \_\_\_\_ day of \_\_\_\_\_, 2017.

**HEARTLAND SENIOR SERVICES**

By: \_\_\_\_\_  
\_\_\_\_\_, President

By: \_\_\_\_\_  
\_\_\_\_\_, Secretary

**STATE OF IOWA, COUNTY OF STORY, SS.:**

This instrument was acknowledged before me on the \_\_\_\_ day of \_\_\_\_\_, 2017, by \_\_\_\_\_ and \_\_\_\_\_ as president and secretary of Heartland Senior Services.

\_\_\_\_\_  
**NOTARY PUBLIC**