

ITEM #:	<u>21</u>
DATE:	<u>05-13-25</u>
DEPT:	<u>PW</u>

COUNCIL ACTION FORM

SUBJECT: **APPROVAL OF A NEW TWO-YEAR LEASE AGREEMENT FOR
WELCH LOT T IN CAMPUSTOWN**

BACKGROUND:

The City of Ames has leased property at 207 Welch Avenue to provide public parking in Campustown, known as Welch Lot T. The current lease expires on May 31, 2025. Under this lease, the City pays an annual rent of \$16,950 and reimburses two-thirds (2/3rds) of the annual real estate taxes assessed on the land. The leased lot includes 28 parking spaces, 4 of which are reserved for the owner at a reduced rate.

On April 22, 2025, Staff provided a report regarding the history of Welch Lot T and presented City Council with options to move forward (see [Welch Lot T Lease – Previous CAF](#)). **The City Council selected Option 2: to pursue a two-year lease extension under the current financial terms, while also increasing parking rates at Welch Lot T to reduce the annual operating deficit. The revised rates—\$1.50 per hour for metered stalls and \$80 per month for reserved stalls—will be implemented administratively by updating the Official Parking Meter Map per *Municipal Code* Section 18.4(1).**

Per the Council's direction, Legal staff has drafted a new two-year lease agreement that maintains the existing rent and tax reimbursement structure. The property owner has signed copies of the lease and returned them to the City. The lease document [New Two Year Lease – Welch Lot T](#) is attached for the Council's review and approval.

ALTERNATIVES:

1. Approve the two-year lease agreement with Green Book LLC under the current financial terms, effective June 1, 2025, through May 31, 2027, and direct staff to implement the rate increases for Welch Lot T only by administratively updating the parking meter map.
2. Do not approve the lease agreement and allow the current lease to expire, removing Welch Lot T from the public parking inventory.
3. Refer this item back to staff for further negotiation or revision.

CITY MANAGER'S RECOMMENDED ACTION:

Entering into a two-year lease extension for Welch Lot T aligns with the preferences expressed by Campustown businesses and provides uninterrupted parking access in the area. This short-term agreement also allows time for the City to evaluate parking rates and develop a long-term strategy to support the financial health of the Parking Fund. Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1, as shown above.

ATTACHMENT(S):

[Welch Lot T Lease - Previous CAF.pdf](#)
[New Two Year Lease - Welch Lot T](#)