

AMES TRANSIT AGENCY BOARD OF TRUSTEES

ELECTRONIC MEETING
PHONE: US: 1-312-626-6799
ZOOM MEETING ID: 89047160084

VIDEO PARTICIPATION: <https://us02web.zoom.us/j/89047160084>

CYRIDE CONFERENCE ROOM
July 1, 2020

1. CALL TO ORDER: 8:30 A.M.
2. Electronic Meeting Declaration Reading
This meeting is being held electronically because of the COVID-19 pandemic, and the Governor of Iowa's Public Health Disaster Emergency Declaration which included limits on public gatherings; therefore, it is impractical to hold an in-person meeting. (§21.8(1)(c) and §21.3)
3. Public Comments
4. Executive Express Ames Intermodal Facility Contract Amendment
5. Set Fall Semester Meeting Dates and Times
 - August 26, 2020, 2:00pm
 - September 23, 2020, 2:00pm
 - October 28, 2020, 2:00pm
 - November 25, 2020, 2:00pm
 - December 23, 2020, 2:00pm
6. Adjourn

CITY OF AMES, IOWA

MEMO TO: Ames Transit Board of Trustees

FROM: Barbara Neal

Date: July 1, 2020

SUBJECT: Executive Express Ames Intermodal Facility (AIF) Contract Amendment

BACKGROUND: At the April 11, 2019, board meeting the Transit Board approved a five-year lease agreement with Executive Express at the AIF expiring on June 30, 2024. At the April 8, 2020, Transit Board meeting CyRide informed the board that Executive Express had requested a 90-day forbearance of their rent payments due to the COVID-19 pandemic. In an effort to retain this critical transportation in the community, CyRide agreed to grant the forbearance for the unpaid rental amounts, to be paid during the FY21 lease year.

On June 17, 2020, CyRide was contacted by Larry Logeman, the President of Executive Express, regarding the FY21 lease rate arrangement, in which he requested additional forbearance and changes to the base rent amount. At the June 24, 2020, board meeting, during the Public Comment portion of the board meeting Mr. Logeman addressed the board regarding his FY20 forbearance and changes to his FY21 rental amount. The board was also presented with Mr. Logeman's proposal, which is attached to this document.

INFORMATION: Since the board meeting, CyRide and ISU's Project Manager for the Ames Intermodal Facility have reached out to Executive Express to discuss modifications to the current contract that would be agreeable to all parties. In discussions with Executive Express we have reached a temporary tenant arrangement for the board to consider. A summary of the amendment request is listed below:

- Section 2.1 Forbearance – Maintains the forbearance balance due of \$4,179. Executive Express agrees to pay this balance, in addition to all other rent due, before June 30, 2021. The amendment also mandates a payment of \$1,000 to be applied to the balance, due July 1, 2020.
- Section 2.2 Rent Adjustment – Lowers the monthly base rent to \$750 for 12 months. Additionally, "Comparison Date" for calculation of rent will be calculated off the June 30, 2020 base rate for the new rent amount starting July 1, 2021.

- Section 2.3 Parking Spaces – Requires Executive Express to surrender the 4 covered spaces and eliminates their right to purchase spaces at a 50% discount for one year.

In consultation with the Legal Department, it was determined Executive Express's requests could be accommodated by an amendment to the existing contract, thus avoiding the need to cancel the contract and renegotiate. Additionally, ISU's Project Manager for the AIF has revised the FY21 AIF budget based on the proposed arrangement, which is included in the board packet.

The attached contract amendment has been reviewed and approved by:

- City of Ames Legal Counsel
- ISU's Project Manager for the Ames Intermodal Facility
- President of Executive Express

ALTERNATIVES:

1. Approve the contract Amendment to Executive Express for the FY21 lease year.
2. Direct staff to renegotiate a contract amendment with board direction on the items to be renegotiated.
3. Do not approve the contact Amendment with Executive Express for space in the Ames Intermodal Facility.

RECOMMENDATION:

The Transit Director recommends approval of Alternative #1 to implement an amendment to the Executive Express FY21 contract terms. Given the unique economic conditions businesses are facing from the pandemic, this amendment will allow critical infrastructure to remain at the Ames Intermodal Facility.

June 19, 2020

Barbara Neal
CyRide
601 N. University Blvd.
Ames, IA 50010

RE: Rent proposal for Executive Express at Ames Intermodal Facility

Dear Barbara,

Thank you for taking the time to speak with me on June 18th about my concerns about for our lease due to the Covid-19 pandemic.

Executive Express has been a tenant in good standing since the inception of the Ames Intermodal Facility (AIF) in 2012. We have been a part of the Ames community since 2009. We are a passenger transportation company specializing in airport shuttle services going many times a day to/from Des Moines International airport. We also provide charter services for small groups and conventions. Our largest customer base for both of these services has been Iowa State University. We have 12 employees based in our Ames Iowa branch.

In March of 2020 everything in the travel business just stopped. We now were seeing uncomfortable headlines such as this.

“Des Moines airport closes a terminal, parking lots amid sharp drop in passenger traffic.”

Kim Norvell

Des Moines Register

“Iowa City to cut travel budget”

TESSA McLEAN

The Daily Iowan

Executive Express was not immune to this economic tragedy. Our overall business is down 94% since March. We do not even have enough revenues to pay for labor and fuel for the few customers that are

travelling, let alone rent at the AIF. No one knows for sure when the travel industry will recover. I have included in this letter a recent industry forecast that says it will take many years to recover. (See attachment for U.S Travel forecast)

During these unprecedented times, I propose that Executive Express pays a maximum of \$750 per month for our rent until the end of 2020. We would discuss again in November to see where the region economic status is at that time. I know this is a large reduction in normal rent but I hope the transit board will understand.

I understand if this is not acceptable that I feel I will need to terminate my lease with the AIF. According to the lease I can terminate with a 90 day written notice. This letter does NOT constitute that notice at this point. I hope we can have some good discussion on this topic at the June 24th Transit Board meeting.

Sincerely,

Larry Logeman

Owner/ President
Executive Express

Amendment of Ames Intermodal Facility Commercial Tenant Lease

THIS IS AN AMENDMENT made by and between Lessor and Lessee upon the following terms and conditions:

1 Definitions. When used in this Amendment, unless otherwise required by the context:

- 1.1 “Lessor” means the City of Ames (d/b/a Ames Transit Agency), an Iowa municipal corporation, whose address for the purpose of this agreement is 601 N. University Boulevard, Ames IA 50010.
- 1.2 “Lessee” means Loghouse Enterprises, Inc., (d/b/a Executive Express), whose address for the purpose of this agreement is 3105 County Road 138, Waite Park MN 56387.
- 1.3 “Agreement” means the *Ames Intermodal Facility Commercial Tenant Lease* presently in force between Lessor and Lessee dated February 1, 2019.
- 1.4 “Amendment” means this instrument as signed by the Lessor and Lessee.

2 Amendments.

2.1 Forbearance [Past Due Amount]. The Lessee has requested forbearance from the Lessor due to the COVID-19 pandemic to allow Lessee to defer certain rental payments due under 1.4 of the Agreement for the months of April, May and June 2020, which are unpaid. The amount for which the Lessor agrees to grant forbearance is \$4,179.00, which is the aggregate amount of the rent due for the months of April, May and June 2020 (based on a rental rate of \$1,393.00 per month). Lessee acknowledges that this debt is due and owing to Lessor. Lessor agrees to grant the requested forbearance under the following terms:

2.1.1 Lessee shall pay to Lessor the sum of \$1,000.00 to be applied to the balance due on or before July 1, 2020. The remaining balance due of \$3,179 shall be paid on or before June 30, 2021, in addition to all other rents due under the Agreement. A failure to pay the amounts due shall constitute an additional default under the terms of the Agreement.

2.2 Rent Adjustment. The Lessee has requested a rent adjustment due to the COVID-19 pandemic for the fiscal year beginning July 1, 2020, and ending June 30, 2021. The parties agree that for the twelve month period starting July 1, 2020, the monthly Base Rent (as defined in the Agreement) shall be \$750.00 per month. As set forth in the Agreement, Lessee shall pay to Lessor the monthly Base Rent on or before the first of every month. For the purposes of determining the amount of the Base Rent for period beginning July 1, 2021, the “Comparison Date” (as defined in the Agreement) shall be June 30, 2020.

A failure to pay the monthly Base Rent, as adjusted herein, shall constitute a default under the terms of the Agreement.

2.3 Parking Spaces. In consideration of the Forbearance and Rent Adjustment set forth above, Lessee shall have no right to purchase additional parking spaces at the discounted (50%) rate set forth in paragraph 1.6 of the Agreement for the fiscal year beginning July 1, 2020. Lessee shall surrender the four covered parking stalls rented at a discount on or before July 1, 2020.

3 Continued Full Force. The Agreement shall continue to have full force and effect in accordance with the terms thereof, subject, however, to this Amendment.

IN WITNESS OF THIS AMENDMENT, Lessor and Lessee approve and agree to the terms of this Amendment as stated herein.

CITY OF AMES, IOWA
(D/B/A AMES TRANSIT AGENCY)

LOGHOUSE ENTERPRISES, INC.
(D/B/A EXECUTIVE EXPRESS)

By: _____
SIGNATURE

By: _____
SIGNATURE

NAME PRINTED

NAME PRINTED

TITLE OF AUTHORIZED SIGNER

TITLE OF AUTHORIZED SIGNER