

 <p style="text-align: center;"><b>Council Communication</b> Office of the City Manager</p>	<b>Date:</b> August 9, 2010
	<b>Agenda Item No.</b> 45 <b>Roll Call No.</b> <u>10-1303</u> <b>Communication No.</b> <u>10-499</u> <b>Submitted by:</b> Don Smithey, <b>Aviation Director</b>

**AGENDA HEADING:**

Approving Terminal Building Lease Agreement with TMS Management Group, Inc. at the Des Moines International Airport.

**SYNOPSIS:**

To conduct the Public Hearing and approve a long-term office lease agreement with TMS Management Group, Inc. in the terminal building of the Des Moines International Airport. The lease is for an initial three-year period, with three, one-year options following the initial term.

**FISCAL IMPACT:**

Amount: The rent rate for the initial term will be \$15.00 per square foot in accordance with rates established through Airport Board Regulation. The rent for each option period will be adjusted to reflect the rate in effect at the beginning of each period. The Aviation Department will receive annual rents of \$35,400 for the first three years of the agreement.

Funding Source: Proceeds will be allocated to the Airport Enterprise Fund (EN002) to offset the operating and maintenance costs of the Airport Terminal.

**ADDITIONAL INFORMATION:**

TMS Management Group, Inc. (“TMS”) is a call center management company based in Clearwater, Florida. TMS has recently been awarded a contract to provide a phone support center for the Iowa Medicaid office located at 100 Army Post Road.

Several months ago, TMS approached the Aviation Department in search of office space for the center, and staff was able to find an appropriate space. After several meetings with the prospective tenant, staff has been able to negotiate all terms of a lease agreement with TMS.

The leased space consists of three smaller, lightly-used conference rooms on the second floor of the Airport Terminal Building, along with adjoining restroom facilities. The suite of offices and restrooms totals 2,360 square feet. The TMS phone support center is expected to employ approximately 30 employees at this location with typical business hours (8am – 5pm).

The proposed term of this agreement shall be for a three-year period commencing August 1, 2010, and ending July 31, 2013. In addition, TMS may extend this agreement for three consecutive one-year

options beyond the termination date, at its discretion. The lease has been structured with this term to mirror the underlying agreement between TMS and the Iowa Medicaid office.

**PREVIOUS COUNCIL ACTION(S):**

Date: July 26, 2010

Roll Call Number: No. 10-1216

Action: On Building Lease Agreement with TMS Management Group, Inc. at the Des Moines International Airport, (8-9-10). Moved by Hensley to adopt. Motion Carried 7-0.

**BOARD/COMMISSION ACTION(S):**

Date: August 3, 2010

Resolution Number: A10-143

Action: The Airport Board recommended that the Council approve the lease agreement with TMS Management Group, Inc. Moved by Mr. Gentry. Motion carried: 6-0-0-1.

**ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE**

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