

**CITY COUNCIL
COMMUNICATION:**

03-397

AGENDA:

AUGUST 11, 2003

SUBJECT:

FIRST AMENDMENT TO
LEASE WITH
MEREDITH
CORPORATION

TYPE:

RESOLUTION
ORDINANCE
RECEIVE/FILE

SUBMITTED BY:

WILLIAM F. FLANNERY
AVIATION DIRECTOR

ITEM _____

**OFFICE OF THE CITY MANAGER
CITY OF DES MOINES, IOWA**

SYNOPSIS —

Staff and Meredith Corporation have concluded negotiations on a First Amendment to their Non-Commercial Aviation Operator Lease Agreement. The amendment is a necessary prerequisite to the City Council's consideration of a similar Non-Commercial Aviation Operator Lease Agreement with Principal Life Insurance Company. The proposed leased premises under the Principal Lease is adjacent to the Meredith leasehold at 2500 McKinley Avenue. In order to accommodate Principal's corporate aircraft maintenance and storage facility, 2,320 square feet of the Meredith Corporation leased premises must be transferred to Principal. Meredith Corporation has agreed to this transfer.

Meredith's leased premises is currently 96,649 square feet. This First Amendment will reduce the lease premises to 94,329 square feet. On July 1, 2003, by Resolution A03-169, the Airport Board recommended approval of the First Amendment to the Meredith Corporation lease. The exhibit attached to the roll call reflects the three parcels that make up the leased premises.

FISCAL IMPACT —

With the reduction of the leased premises, Meredith's monthly payment will be reduced from \$6,282.19 to \$6,131.39. With the inclusion of the property in the Principal leased premises, Principal is to pay rental on the subject land.

RECOMMENDATION —

Approval.

BACKGROUND —

On August 23, 1999, by Roll Call No. 99-2676, City Council approved a Non-Commercial Aviation Operator Lease with Meredith Corporation.

On July 14, 2003, by Roll Call No. 03-1585. City Council set a date of public hearing for approval of the First Amendment. On July 28, 2003, by Roll Call No. 03-1803, the City Council continued this

hearing to the August 11, 2003 City Council meeting.