

**CITY COUNCIL
COMMUNICATION:**

03-416

AGENDA:

AUGUST 25, 2003

SUBJECT:

LEASE
AGREEMENT
WITH KNAPP
PROPERTIES

TYPE:

RESOLUTION
ORDINANCE
RECEIVE/FILE

SUBMITTED BY:

DONALD TRIPP
PARK AND
RECREATION
DIRECTOR

ITEM _____

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

SYNOPSIS —

Knapp Properties is interested in leasing City-owned property south of 13th Street and Cherry Street. The property is adjacent to Knapp Properties' parking lot located at 1212 Cherry and would be used for additional parking. A two-year lease has been prepared. Leasing the property to Knapp Properties provides additional parking for use by a Knapp Properties building located at 1206 Mulberry Street. Additionally, Knapp Properties will become responsible for the maintenance of the property. The City Properties Administrator has reviewed the request and recommends approval.

FISCAL IMPACT —

The lease rate for the expected two-year term is \$250 annually, and Knapp Properties will maintain surrounding City property, which will save the City approximately \$2,500 per year in maintenance costs.

RECOMMENDATION —

Approval.

BACKGROUND —

Knapp Properties requested to lease or purchase the property to use for parking.

A Property Inventory Report was created on this property. A determination was made that although the City does not have an immediate need for this property, the property needs to remain in City inventory and could only be leased on a short-term basis with stipulations to allow for the ingress/egress easement and the termination of the agreement upon a need for the property by the City.

Approximately 10 to 13 parking places will be created depending upon design. Valued at \$20 to \$25 per month per space, the parking spaces would generate between \$2,400 and \$3,900 per year.

The lease is for two years for total consideration of \$500 (\$250 per year). Knapp Properties will provide mowing and cleanup of the area surrounding the property. The mowing and maintenance is valued at approximately \$2,500 annually. Additionally, Knapp Properties has agreed to provide improvements valued at approximately \$20,000, including paving the parking area and seeding the remaining area. Improvements would be subject to City approval, and the City will retain ownership of the improvements at the end of the lease.

	The lease agreement will allow the City to retain ownership and assign maintenance responsibilities to Knapp Properties.
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