

**CITY COUNCIL
COMMUNICATION:**

03-598

AGENDA:

DECEMBER 12, 2003

SUBJECT:

BOTANICAL CENTER
28E AGREEMENT
WITH DES MOINES
WATER WORKS
BOARD OF
TRUSTEES

TYPE:

RESOLUTION
ORDINANCE
RECEIVE/FILE

SUBMITTED BY:

DONALD M. TRIPP
PARK AND
RECREATION
DIRECTOR

ITEM _____

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

SYNOPSIS —

Approval to enter into a five-year 28E Agreement by and between the City of Des Moines and Des Moines Water Works Board of Trustees for the operation and management of the Des Moines Botanical Center.

FISCAL IMPACT —

Operating budget savings of \$300,000 annually. Capital Budget expense of \$200,000 in Fiscal Year (FY) 2004, 2005, and 2006 for capital improvements (replacing \$100,000, \$90,000, and \$85,000 respectively in the current Capital Improvement Program [CIP]). This increase in CIP funding will allow for necessary repairs and improvements to be completed. In addition, the City will provide an amount annually not to exceed \$150,000 toward the operating expenses based on the Des Moines Water Works' ability to secure funding from other local municipalities.

This amount of annual savings will be more if Water Works is not successful in soliciting the \$150,000 in annual operating support from other local governments, as called for in the agreement. As noted above, the City will contribute \$200,000 a year in FY2004, 2005, and 2006, for a maximum of \$600,000 during the term of this agreement.

The City will also be expending funds to relocate current departmental operations out of the Center. This includes greenhouse space and program offices for the Horticultural, AmeriCorps/Vista volunteer programs and Community Gardening operations. Staff is currently developing the site plan and costs for this relocation.

The City had previously programmed \$900,000 in FY2006 to build a new central maintenance facility for greenhouse expansion. The Park and Recreation Department is working on a plan to accelerate funding for an east side maintenance headquarters and to ultimately add the current north maintenance zone headquarters located at Union Park. The result of this master site planning opportunity will be to consolidate four maintenance facilities into one location. A complete report on this plan will be submitted to City Council as part of the upcoming CIP reviews.

RECOMMENDATION —

Approval.

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PAGE TWO

BACKGROUND —

During the FY2003/2004 June operating budget adjustments, the City Council directed staff to increase revenues or reduce expenses by \$81,000 in FY2003/2004 and look at privatization of the Botanical Center operations. The end result of that work is a 28E Agreement by and between the City of Des Moines and the Water Works Board of Trustees.

The 28E Agreement authorizes the Des Moines Water Works to operate and maintain the building, greenhouses, and grounds of the Des Moines Botanical Center, approximately 14.4 acres, excluding Robert D Ray Drive. The City shall retain the exclusive right to operate and manage the greenhouses through June 30, 2004, to support the horticultural distribution of plants and flowers within the park system and community through the 2004-planting season.

The agreement shall be for an initial period of five years beginning on January 5, 2004, with three, three-year automatic renewals without any further action by the City or Water Works, unless either the City or Water Works notifies the other regarding their desire to not renew not later than the preceding July 1 of the next renewal period.

On the effective date of this agreement, Des Moines Water Works shall receive and retain all revenues from the operations, programs, and gifts contributed to the Center. The City shall retain all revenues received to the date of the execution of this agreement.

As indicated in the fiscal impact section, the City shall provide \$200,000 in FY2004, 2005, and 2006 toward capital improvements to the Center and an amount annually not to exceed \$150,000 toward the operating expenses based on the Des Moines Water Works' ability to secure funding from other local municipalities.

As a part of this agreement, the City shall resume the grounds maintenance at Gray's Lake Park while Des Moines Water Works retains the grounds maintenance activities along Fleur Drive. Additionally, the City shall retain the right to use the Botanical Center dome/meeting rooms for 16 events or functions of our choosing based on availability.

Due to the structure of this agreement, existing City employees working at the Des Moines Botanical Center shall be laidoff and be eligible, based on qualifications and needs of the Des Moines Water Works, for positions added to operate and maintain the Botanical Center building and grounds.

