

CITY COUNCIL
COMMUNICATION:

03-620

AGENDA:

DECEMBER 22, 2003

SUBJECT:

LEASING OF ARCHIE
BROOKS COMMUNITY
CENTER TO POLK
COUNTY FOR THE
STATE OF IOWA'S
DEPARTMENT OF
HUMAN SERVICES
SITE OFFICES

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 set date of hearing for January 12, 2004, to enter into a three and one-half year lease agreement with Polk County for the use of office space at the Archie Brooks Community Center to operate the State of Iowa's Department of Human Services site offices.

FISCAL IMPACT —

\$6,276 in Fiscal Year (FY) 2004/2005 with a 3 percent increase annually during the term of the lease agreement from Polk County (on behalf of State of Iowa Human Services managed programs). Previous annual revenues from the State have been \$14,080.50.

RECOMMENDATION —

Approval.

BACKGROUND —

The State of Iowa's Department of Human Services has reduced the square footage lease request at Archie Brooks Community Center from 2,335 square feet to 200 square feet. Due to this reduction and a review of market rates, Park and Recreation Department staff has negotiated a new lease with Polk County on behalf of the State run program.

The previous lease rate was \$6.03 per square foot for 2,335 square feet for a total of \$14,080.50. The new lease rate is being recommended to increase to \$8.38 per square foot for 200 square feet for a total of \$1,676 in Fiscal Year (FY) 2004/2005 with an annual 3 percent increase each year thereafter for the term of the agreement. Additionally, a Common Area Maintenance (CAM) fee of \$4,600 will be charged in FY2004/2005 with a 3 percent increase each year thereafter for the term of the agreement. The total lease payment, including the CAM fee in FY2004/2005, will be \$6,276.

The CAM fee is a calculation of custodial and utility expenses for the percentage of common areas (entrances, hallways, restrooms, etc.) that are used by all tenants. At Archie Brooks Community Center, this equates to approximately 16 percent of the building space and is divided equally between each tenant of the building or 4 percent of the CAM expenses.

**CITY COUNCIL
COMMUNICATIONS:**
03-620
DECEMBER 22, 2003
PAGE TWO

The other tenants being the Park and Recreation Department, Community Development Department, and Polk County Congregate Meal program.

Since Polk County has already paid the City through June 30, 2004, the new fees would take effect on July 1, 2004, with the lease agreement terms based on the City and County's fiscal years.

This lease change leaves 2,135 square feet of vacant office space at Archie Brooks Community Center. Currently, the Park and Recreation Department is researching the costs to relocate the Park and Recreation Administration offices to Archie Brooks Community Center due to the space being vacated by the State of Iowa and the City's Community Development Department. This would allow the City to claim the current Park and Recreation Administrative offices at 3226 University as excess property with the potential to dispose of that property and place it back on the tax rolls.

