

COUNCIL COMMUNICATION

Agenda Item:

City Manager's Office

GENERAL INFORMATION—

Agenda Date: 1/12/04
04-022

Communication No.:

Agenda Item Type: Resolution

Roll Call No:

Submitted by: Donald M. Tripp, Park and Recreation Director

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SUBJECT—

Leasing of Logan community center to the Boys and Girls Club of Central Iowa

SYNOPSIS—

Approval to enter into a 25-year lease agreement with the Boys and Girls Clubs of Central Iowa (BGCCI) for the use of Logan Community Center.

FISCAL IMPACT—

\$1.00 per year lease from BGCCI and consideration for them funding for building custodial services, programs and services provided to the community. Through this Agreement, the City of Des Moines will reduce the amount of staff time for one Senior Building Equipment Operator (SBEO), whom will be available to perform maintenance work at other City buildings. The City shall also retain all lease income from other tenants (State of Iowa Department of Human Services, Polk County Congregate Meals and City of Des Moines' Neighborhood Site Office) estimated in the FY 2004/2005 operating budget at \$94,273.

RECOMMENDATION—

Approval

BACKGROUND—

In 1998, as a cost savings and service enhancement measure, the Park and Recreation Department sought private operating partners for Logan Community Center. On October 5,

1998, by Roll Call No. 98-3179 the Des Moines City Council authorized a leasing of Logan Community Center to BGCCI.

On May 1, 2000, the Des Moines City Council received and filed a letter from the BGCCI by Roll Call No. 00-1303, requesting a two-year extension to the current lease agreement.

On October 10, 2000, the Martin Luther King Jr. Park Neighborhood Association Steering Committee voted to approve extending the Lease Agreement with BGCCI for Logan Community Center. The Des Moines City Council signed the original lease on October 5, 1998, by Roll Call No. 98-3179.

On December 16, 2003, Park and Recreation Department staff held a meeting with the Martin Luther King Jr. Neighborhood Association to inform them that City staff had negotiated a long-term agreement with the Boys and Girls Club of Central Iowa (BGCCI) for leasing Logan Community Center. Since the general operations and use of the Center will not change from the previous Agreements, the Neighborhood Association expressed support for the Agreement.

On December 22, 2003, by Roll Call No. 03- 2881, the Des Moines City Council approved setting date of public hearing regarding the approval of a 25 year Lease Agreement with the Boys and Girls Club of Central Iowa at the Logan Community Center.

Over the past four-years, the BGCCI has had a significant positive impact to the residents of the Logan area. The original request from the BGCCI two-years ago was to enter into a long-term (25 year) Lease Agreement similar to the Agreement the City has with the YMCA for the former Model City Community Center. Through the public input process, local residents requested the City enter into a short-term (two-year) agreement to make sure all parties were satisfied with the level and quality of service.

As part of the adopted FY04 budget, the City Council approved an increase in revenues by \$17,000 through the collection of Common Area Maintenance (CAM) fees from the existing tenants. Additionally, the City Council directed staff to increase revenues and/or reduce expenses at the Community Centers by \$81,000 for a total savings of \$98,000.

Under the terms and conditions of the Lease Agreement, the City shall maintain all lease agreements with existing tenants and assume infrastructure maintenance responsibilities of the building (HVAC, Boiler, roof repairs). The BGCCI will manage the day-to-day custodial services for the entire building, minor maintenance (painting, plumbing, electrical, etc.), and traditional BGCC programs and services provided to the Community. Additionally, the BGCCI may request building enhancements, such as replacing floor coverings, with written approval from the Park and Recreation Director, which would be reimbursed by the City. Any such improvements will need to be part of a Capital Improvement program budget, approved by City Council.