



Agenda Item:
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COUNCIL COMMUNICATION

City Manager's Office

GENERAL INFORMATION

Agenda Date: 12/19/05
Agenda Item Type: Resolution

Communication No.: 05-705
Roll Call No.:

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

SUBJECT —

Approval of Lease Agreement for Property at 4812 Grand Avenue.

SYNOPSIS—

Staff recommends entering into a new one year lease agreement with Sara Sulentic for the property at 4812 Grand Avenue, with a one year option for the property. Sara Sulentic has been a tenant at the property since 2002.

FISCAL IMPACT—

The city will receive \$6,900 in annual lease revenue from the property to be deposited into the Property Management Operating Account, PKS161600. The tenant shall be responsible for utilities and certain other maintenance obligations.

RECOMMENDATION—

Approval

BACKGROUND—

The City of Des Moines owns a house at 4812 Grand Avenue on the north edge of Greenwood Park. In the past, a Park Superintendent resided in the house. As part of the reorganization of the Park and Recreation Department, the Park Superintendent positions for individual parks were discontinued and

the residences were made available to be leased to other individuals. These properties have been made available for lease rather than sale in order to preserve City ownership of parkland.

Initially these properties were leased to other city employees. In an effort to maximize revenue received, tenants outside the city were solicited as the properties were vacated and new agreements were executed. The tenant is responsible for payment of utilities and for most of the general maintenance at the property, and the city is responsible for structural maintenance including HVAC.

On July 26, 1999, by Roll Call Number No. 99-2307, the Des Moines City Council approved a 12-month lease agreement with William Johnson and Wendy Clupper for the residence located at 4812 Grand Avenue. That lease agreement expired on July 31, 2000 and the property was vacated. At that time the property became vacant.

In late 2001 in response to a posting in the newspaper, several potential tenants were interviewed. Based on the responses received to the newspaper advertisement and subsequent discussions, the fair market rate for the property was established at \$725 monthly.

In early 2002, a lease agreement was negotiated with Sara Sulentic, and on February 18, 2002, by Roll Call No. 02-469, City Council approved a lease agreement with Sara Sulentic for the property at 4812 Grand Avenue. Sara Sulentic is not a city employee and is not affiliated with the Park and Recreation Department.

The lease payment under the proposed lease agreement is \$575 per month, which reflects a credit of \$150 per month toward the approximately \$14,000 in documented improvements spent by the tenant on the property during the past two years. The lease rate is set to increase during the second year of the agreement if an option is exercised. The improvement credit would also no longer apply.

Staff recommends this action because the lease rate reflects the current market value and continues the established relationship with a responsible tenant who has historically cared for the property in a dutiful manner.