



# Council Communication

Office of the City Manager

<b>Date</b>	April 9, 2007
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<b>Agenda Item No.</b>	52
<b>Roll Call No.</b>	<u>07-</u>
<b>Communication No.</b>	<u>07-184</u>
<b>Submitted by: Donald M. Tripp, Park and Recreation Director</b>	

## AGENDA HEADING:

Approving Lease Agreement with the South Des Moines Little League for use of the James W. Cownie Baseball Park.

## SYNOPSIS:

Recommend approval to enter into a lease agreement with the South Des Moines Little League (SDMLL) for use of the James W. Cownie Baseball Park.

## FISCAL IMPACT:

Amount: Revenue to City of at least \$25,000 annually for the term of the Lease Agreement from South Des Moines Little League. The annual operating costs will be evaluated at the end of 2007, 2008 and 2009, with annual adjustments to the lease rate to cover direct operating costs. After 2009, the lease rate will be established in three-year periods. Staff anticipates that the lease rate to SDMLL will be \$25,000 in 2007, \$30,000 in 2008, and \$40,000 in 2009.

Funding Source: Proceeds from the lease will be deposited in Park and Recreation Department, James W. Cownie Baseball Park, GE001 PKS104100. This is a new organization code.

Funds will be used to help offset the costs to operate and maintain the James W. Cownie Baseball Park. Expenses for the first three years are estimated at \$180,000, which include the maintenance payment to the Iowa Cubs, utilities and miscellaneous expenses incurred by the City. The sources of operating funds for the first three years are estimated as follows:

South Des Moines Little League Lease	\$ 95,000
Greater Des Moines Baseball Foundation	\$ 75,000
Concession and rental income (City operations)	<u>\$ 10,000</u>
Total three-year revenues:	\$180,000

## ADDITIONAL INFORMATION:

On March 28, 2005, by Roll Call No. 05-737, the Des Moines City Council entered into a 28E Agreement with Polk County and the Greater Des Moines Community Foundation to provide for the design, financing and construction of the James W. Cownie Baseball Park. The terms and conditions set forth in the 28E Agreement include a provision for the City to enter into a lease agreement with the South Des Moines Little League for the use of this facility upon acceptance of the improvements by the City. This action approves the negotiated lease agreement.

The terms and conditions within the Lease Agreement include, but are not limited to, the following:

- SDMLL to have exclusive rights to use the complex between March 15<sup>th</sup> and June 30<sup>th</sup>, during the term of the Agreement, to operate their Little League season. City shall operate/rent the facility between July 1st and the end of the season for practices, games and tournaments.
- Lease payment of at least \$25,000 will be paid by SDMLL to the City annually during the term of the Agreement. The lease payment will be reviewed annually over the first three-years and adjusted to cover actual operating costs in an effort to minimize any City subsidy. However, due to the suggestions of the Park and Recreation Department and major donors, the overall baseball park was constructed at a higher level than the facility previously used by the South Des Moines Little League; therefore, a provision allowing up to a \$15,000 City subsidy has been incorporated into the Lease should the League's audited financial statements show they cannot afford to pay the difference from the existing lease payment to cover the increased operating expenses.
- SDMLL will operate and retain revenue for concessions for all league play and rentals. The League shall pay the City 20% of gross concession revenues for City-hosted tournaments.
- The City will review revenues and expenses of SDMLL on a semi-annual basis and receive an audited financial statement at the end of each calendar year.
- SDMLL will drag and chalk fields during league season.
- SDMLL will provide, maintain and replace maintenance equipment and allow use by the City's contracted maintenance provider.
- The City will provide custodial and horticultural maintenance (through agreement with the Iowa Cubs approved on November 20, 2006, by Roll Call No. 06-2313).
- The City will approve scheduled SDMLL use and manage the baseball park to maximize use and minimize wear and tear. This includes practices, games and tournament uses.

#### **PREVIOUS COUNCIL ACTION(S):**

Date: March 28, 2005

Roll Call Number: 05-737

Action: Intergovernmental 28E Agreement with Polk County and Greater Des Moines Community Foundation for development of Soldiers Field for South Des Moines Little League Baseball Park. ([Council Communication No. 05-150](#)) Moved by Hensley to adopt. Motion Carried 7-0.

Date: June 20, 2005

Roll Call Number: 05-1579

Action: Authorization and allocation of \$50,000 Grant to Polk County Board of Supervisors. ([Council Communication No. 05-358](#)) Moved by Brooks to adopt. Motion Carried 6-1.

Date: November 20, 2006

Roll Call Number: 06-2313

Action: [Addendum](#) to three year Maintenance Agreement with Greater Des Moines Baseball Co. (GDMBC) to add the maintenance responsibilities of James W. Cownie Baseball Park. ([Council Communication No. 06-740](#)) Moved by Coleman to adopt. Motion Carried 6-0.

**BOARD/COMMISSION ACTION(S): NONE**

**ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE**