



Council Communication

Office of the City Manager

Date

April 7, 2008

Agenda Item No. 20
Roll Call No. 08-
Communication No. 08-203
Submitted by: Jeb E. Brewer, P.E.
City Engineer

AGENDA HEADING:

Approval of revised lease agreement with Central Iowa Mechanical Company regarding the use of adjoining excess city-owned property in the vicinity of SW 2nd Street and Martin Luther King, Jr. Parkway.

SYNOPSIS:

Recommend approval of revised lease agreement with Central Iowa Mechanical Company, 204 SW 2nd, Larry Goode, Jr., President, regarding the use of adjoining excess City-owned property in the vicinity of SW 2nd Street and Martin Luther King, Jr. Parkway for employee and customer parking. Central Iowa Mechanical Company has been leasing the property since 2003, and this new lease is needed to update the terms and conditions for the use of the property and the amount of fair market rent that needs to be charged, in accordance with the federal encumbrance on the property. The leased property is excess land that was acquired with federal funds as part of the Martin Luther King, Jr. Parkway project.

FISCAL IMPACT:

Amount: \$7,200.00 (Annual revenue made in monthly payments of \$600)

Funding Source: 100 % of the funds will be deposited into the Federal Title 23 Deposit Account, 2007-08 CIP, Page Street Improvements – 16, CP038, ENG990000, STR500.

ADDITIONAL INFORMATION:

On August 25, 2003, by Roll Call 03-1973, Council approved a lease agreement with Central Iowa Mechanical Company. The lease was renewable on a month to month basis and could be terminated for any reason by either party with 30 days written notice.

The leased property is excess land that was acquired with federal funds as part of the Martin Luther King, Jr. Parkway project. Central Iowa Mechanical Company has been leasing the property since 2003, and this new lease is needed to update the terms and conditions for the use of the property and the amount of fair market rent that needs to be paid, in accordance with the requirements for non-public uses of federally encumbered excess land. The new lease will expire on December 31, 2010 and is for \$600 per month or \$7,200 annually, which is a rent increase of \$400 per month or \$4,800 annually. Either party can terminate the revised lease for any reason by giving the other party 60 days written notice.

The federal funding used to acquire the property also requires that all lease revenue be deposited into the Fed Title 23 Account, which funds are then used to support other eligible federally funded street improvement projects for the City.

PREVIOUS COUNCIL ACTION(S):

Date: August 25, 2003

Roll Call Number: 03-1973

Action: Approval of Lease Agreement with Central Iowa Mechanical Company. Moved by McPherson to adopt. Motion Carried 7-0

BOARD/COMMISSION ACTION(S): NONE

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE

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