



Council Communication

Office of the City Manager

Date

April 21, 2008

Agenda Item No. 65
Roll Call No. ~~08-~~
Communication No. ~~08-229~~
Submitted by: **Jeb E. Brewer, P.E.**
City Engineer

AGENDA HEADING:

Hold public hearing for approval of proposed lease of City-owned property in the vicinity of 600 Holcomb Avenue to Consolidated Supply Company of Des Moines for \$250.

SYNOPSIS:

Recommend approval of lease agreement between Consolidated Supply Company of Des Moines, 600 Holcomb Avenue, Gordon Ploeger, President, and the City of Des Moines for property located in the vicinity of 6th Avenue and Holcomb Avenue. The lease allows Consolidated Supply Company to use the leased premises for their corporate monument sign only. The lease shall be for a period of five years, commencing retroactively on the 1st day of April, 2006 and ending on March 31, 2011, subject to termination of the lease by either party with sixty (60) days written notice. Consideration shall be \$250 for the entire 5-year term, plus Consolidated Supply shall be required to maintain and care for the leased area, which includes additional adjacent city-owned property that is not needed for the sign, at an estimated cost to them of \$1,500 per year. The above rent amount and maintenance obligations are equal to the estimated fair market rent for the leased area.

FISCAL IMPACT:

Amount: \$250 (Total revenue)

Funding Source: \$250 will be deposited into the 2007-08 Operating Budget, Page 259, Property Maintenance, SP767.

ADDITIONAL INFORMATION:

In 1995, Consolidated Supply expanded its plumbing fixtures distribution business in Des Moines and relocated the business to 600 Holcomb Avenue.

On March 18, 1996, by Roll Call Number 96-1032, City Council approved a lease of a portion of the City-owned property between Consolidated Supply's new location and 6th Avenue for the placement of a monument sign.

On January 27, 2003, by Roll Call Number 03-218, City Council approved a 5-year lease agreement with Consolidated Supply Company of Des Moines, commencing retroactively on the March 19, 2001 and ending on March 18, 2006. Consolidated Supply has continued to maintain the monument sign and the adjacent property in the absence of a new lease agreement.

Approval of the new lease agreement will benefit Consolidated Supply Company by allowing them to have corporate signage within view of 6th Avenue traffic. The City of Des Moines will benefit by the additional revenue and by saving the cost of maintaining the larger parcel of City-owned property that lies adjacent to Consolidated Supply's property.

PREVIOUS COUNCIL ACTION(S):

Date: January 27, 2003

Roll Call Number: 03-218

Action: Approval of continuation of lease of property in the vicinity of 6th Avenue and Holcomb to Consolidated Supply of Des Moines, \$250 for a 5 year term, plus maintenance costs. Moved by McPherson to adopt. Motion Carried 6-1. Absent: Brooks.

Date: March 18, 1996

Roll Call Number: 96-1032

Action: Approval of lease of excess City-owned property in vicinity of Sixth Avenue and Holcomb, to Consolidated Supply Company of Des Moines, Inc., 5-year term, \$900. Moved by McPherson to adopt. Motion Carried 7-0.

BOARD/COMMISSION ACTION(S): NONE

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE

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