



Council Communication

Office of the City Manager

Date

November 23, 2009

Agenda Item No. **51**

Roll Call No. **09-**

Communication No. **09-808**

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

AGENDA HEADING:

Hearing for the lease by the City of real property owned by MidAmerican Energy Company. Known as “Hansen Triangle”, at 2nd and Grand Avenues. Approving such lease agreement, dedication of such property as parkland and as part of the Principal Riverwalk and reaffirming the name of such parkland as “Hansen Triangle”.

SYNOPSIS:

Recommend approval of a lease agreement with MidAmerican Energy (“MidAm”) for “Hansen Triangle” at 2nd and Grand Avenues, dedication of such property as parkland and as part of the Principal Riverwalk, and naming such parkland “Hansen Triangle” (see map, Exhibit A of the lease agreement).

FISCAL IMPACT:

Amount: \$1.00 yearly rental payable by the City to MidAm on the term commencement date and \$1.00 on each anniversary thereafter.

\$15,000 yearly consideration payable by MidAm to the City in lieu of being responsible for the maintenance, repair, or replacement of the improvements and the mowing of the abutting MidAm property at the River Hills substation, due by September 1st of each year of the lease.

Funding Source: Park Improvements, Capital Improvement Program Budget (CIP), CP040
PKS990000 PKS162, page 23.

ADDITIONAL INFORMATION:

Hansen Triangle is located at the northeast corner of the intersection of 2nd Avenue and Grand Avenue in Des Moines. It is owned by MidAm and lies within the area along the west side of the Des Moines River known as the Principal Riverwalk. The Des Moines Riverfront Development Authority (RDA) and Principal Life Insurance Company (“The Principal”) have been working with the City to implement and build improvements within the Principal Riverwalk. While Hansen Triangle contains extensive overhead and underground energized electric, water, sewer, and gas utilities, MidAm has permitted the Hansen Company, Inc. (“Hansen”) to make improvements to the site for the enjoyment and use of the general public. As improvements were made by Hansen, they became the property of MidAm.

Both the City and MidAm desire that the Hansen Triangle be used as a part of the Principal Riverwalk. To that end MidAm has agreed to lease Hansen Triangle to the City and allow it to be dedicated as

parkland. Such parkland will be known as Hansen Triangle within Principal Riverwalk and thereby becomes officially part of the Principal Riverwalk. If approved by the City Council, the City will take ownership and maintain the improvements of Hansen Triangle already there (see map and list of improvements, Exhibit B of the lease agreement) with the exception of the sculpture and fountain, collectively called the “Artwork”. The Artwork will continue to be owned by the Des Moines Art Center (“DMAC”), and its maintenance will be the responsibility of the DMAC and the RDA. DMAC will provide maintenance for the sculpture, and RDA will provide maintenance for the fountain. The other improvements owned and maintained by the City include signage, an irrigation system, seat walls, lighting fixtures, plantings and trees, and walkway pavers.

MidAm has agreed to pay an annual consideration of \$15,000 to the City towards the maintenance, repair, or replacement of the improvements in Hansen Triangle and the mowing of the abutting MidAm property at the River Hills substation, due by September 1st of each year of the lease.

The term of this lease shall begin on the day following City Council approval and continue until December 31, 2028. After the original term, the lease shall automatically continue for ten (10) more years unless prior to the end of a lease year, either party elects to terminate. Staff recommends that the City Council approve the lease agreement with MidAm.

PREVIOUS COUNCIL ACTION(S):

Date: March 22, 2004

Roll Call Number: 04-599

Action: Approval of the Phase One Master Plan for Principal Riverwalk design, development and improvement of riverfront public amenities and public spaces.

Date: November 21, 2005

Roll Call Number: 05-2848

Action: Approval of a 28E Agreement with MidAmerican Energy Company and the Des Moines Metropolitan Wastewater Reclamation Authority relating to construction of Stage 2 of the Des Moines River outfall and overflow sewer, certain City Principal Riverwalk improvements, and a MidAmerican Energy electrical duct bank, in which the City agreed to vacate Watson Powell Jr. Way between 2nd Avenue and Grand Avenue and convey that vacated property to MidAmerican Energy, subject to a restriction on the use of the property only for open space and recreational purposes for the use of the general public.

Date: July 9, 2007

Roll Call Number: 07-1329

Action: Approval of the vacation of Watson Powell Jr. Way between 2nd Avenue and Grand Avenue and conveyance to MidAmerican Energy Company for use as part of Hansen Triangle and only for open space and recreational purposes for the use of the general public.

BOARD/COMMISSION ACTION(S): NONE

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE

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