Council Communication

Office of the City Manager

Date	January 25, 2010

Agenda Item No. 32
Roll Call No. 10-
Communication No. 10-051
Submitted by: Donald M. Tripp, Director of Parks and Recreation

AGENDA HEADING:

Approve Lease Agreement with Des Moines Rowing Club for use of a portion of the Guzman Building in Birdland Marina.

SYNOPSIS:

Recommend approval of the Lease Agreement with the Des Moines Rowing Club for use of a portion of the Guzman Building at Birdland Marina for storage of its equipment and management of the club's programs and services.

FISCAL IMPACT:

Amount: $5,476 in lease rental income less an estimated $3,350 in consideration for the Club providing its Novice program (67 participants x $50.00 = $3,350), for a total net lease payment of $2,126 annually.

Funding Source: FY 2010 Operating Budget, Park and Recreation General Administration, GE001 PKS010100, page 176.

ADDITIONAL INFORMATION:

The Des Moines Rowing Club has provided an excellent water recreation activity for the citizens in the Des Moines metro area for several years. Their positive program and regular presence also provide an element of security to the Birdland Marina area. This is a great way to provide a program opportunity to enhance water activity that is environmentally friendly and generate lease revenue for the City.

The Des Moines Park and Recreation Department, with support from the City's Legal Department, has finalized a Lease Agreement with the Des Moines Rowing Club for use of the City-owned, Guzman Building, at Birdland Marina. The Club is desirous to enter into this lease for the storage of their rowing equipment and management of their programs and services. Consideration has been provided to the Rowing Club for its Novice instructional program. The Des Moines Rowing Club offers a ten-week novice program five days per week from June - August at Gray's Lake that has a value of $175 per participant. The Rowing Club wants to charge a reduced fee of $85 per participant to increase participation. City staff is proposing to share in the $90 fee reduction by allowing a $50 credit per participant in the building lease charge. The class uses Des Moines Rowing Clubs' boats and equipment, the Club's insurance and their experienced club members to staff and teach the class. In 2009, the Rowing Club provided instruction in the Novice Program to 67 participants. Staff anticipates a credit of $3,350 for the Novice program (67 X $50 = $3,350) in 2010.

The term of the Lease Agreement for use of the Guzman Building is for one year (January 1, 2010 - December 31, 2010). A new lease will be negotiated at the end of one year and will combine the use of the Guzman Building with the Overlook Terrace at Gray's Lake. The Overlook Terrace agreement expires December 31, 2010. The Des Moines Rowing Club currently uses a portion of the Overlook Terrace and the Guzman Building. The Novice Program is operated evenly out of both facilities during the summer.

PREVIOUS COUNCIL ACTION(S):

Date: January 24, 2005

Roll Call Number: 05-212

Action: On proposal to lease City-owned real estate locally known as the Guzman Building at Birdland Marina to the Des Moines Rowing Club. Moved by Vlassis to adopt. Motion Carried 7-0.

BOARD/COMMISSION ACTION(S): NONE

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE

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