



Council Communication

Office of the City Manager

Date

March 22, 2010

Agenda Item No. 41
Roll Call No. 10-
Communication No. 10-169
Submitted by: Donald M. Tripp, Director of
Parks and Recreation

AGENDA HEADING:

Approve Letter of Understanding regarding potential lease of Park Fair Mall for emergency relocation of City offices and authorizing the City Manager to negotiate final lease terms and execute lease.

SYNOPSIS:

Recommend approval of Letter of Understanding with Denny Elwell Company, representing HPM Investments, Inc., Denny Elwell, President, 2401 SE Tones Drive, Suite 17, Ankeny, Iowa, 50021, for temporary use of space, if needed, at 100 East Euclid, Park Fair Mall, due to an operating emergency.

FISCAL IMPACT:

Amount: Approximately \$10,477 monthly lease (\$4.50 per sq ft, 27,938 sq ft). No costs incurred unless emergency operations require temporary relocation of City operations.

Funding Source: SP854, PKS982010 – 2010 Flooding (not in budget). If such a move is necessary, funding will be assumed to come from the General Fund and a future budget amendment may be necessary. However, if a disaster declaration is eventually made, this is an expense that is typically covered by FEMA.

ADDITIONAL INFORMATION:

In preparation for the development of a Business Continuity Plan in the event of an operating emergency requiring relocation of City personnel and operation, the Parks and Recreation Department reviewed needs with various departments including Municipal Facilities, Finance, Economic Development and Information Technology. In addition, staff researched the procedures and sites used to relocate City services during the 2008 flood event at the Airport and Central Library. A Letter of Understanding between the City and Denny Elwell, property owner has been crafted detailing the general terms and conditions that would be executed in a lease, should the need arise to relocate City offices.

After review, it is recommended that the Central Library not be used for relocation to avoid the disruption of public use of the Library and other related service issues. It has been determined that a single location for all City services is preferred, as this will improve communication between departments during a transition/relocation of personnel.

After touring available sites, including Des Moines Independent Community School District buildings, it was determined that vacant space at Park Fair Mall is the preferred site for the following reasons: immediate availability of 27,938 sq ft and existing IT connectivity and data lines, as Des Moines

Municipal Housing offices are located in the mall. Within the Housing Department's space there exists a small area designated as an Emergency Operations Center, the site has an emergency generator, the building is easily accessible to the public and provides adequate parking for public and staff. In addition, the "unfinished space", that would be a part of this lease, if executed, makes running wires and lines for equipment (phones, computers, copiers, etc.) easier if a quick relocation of staff is required.

Denny Elwell has been very receptive to the City's presence at the site and has offered less than market rate with favorable and flexible lease terms.

PREVIOUS COUNCIL ACTION(S): NONE

BOARD/COMMISSION ACTION(S): NONE

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:

Execute lease, should the need arise from an operating emergency.

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