

 <p style="text-align: center;"><b>Council Communication</b> Office of the City Manager</p>	<b>Date:</b> June 28, 2010
	<b>Agenda Item No.</b> MHGB2 <b>Roll Call No.</b> <u>10-1008</u> <b>Communication No.</b> <u>10-377</u> <b>Submitted by:</b> Douglas C. Romig, Housing Services Director

**AGENDA HEADING:**

Approval of Lease Agreement at the Park Development Center, 405 S.E. 20th Street, with the City of Des Moines Park and Recreation Department for central storage needs of the Des Moines Municipal Housing Agency.

**SYNOPSIS:**

Approving the Lease Agreement between the Des Moines Park and Recreation Department and Des Moines Municipal Housing Agency for indoor unheated storage and outdoor storage, along with shop use and small engine repairs.

**FISCAL IMPACT:**

Amount: \$7,500 annual estimate

Funding Source: 2009-2010 Operating Budget, Housing Services Department Project Based Operations: Royal View Manor, SP350, HSG021100; East View Manor, SP350, HSG021200; South View Manor, SP350, HSG021300; Highland Park/Oak Park, SP350, HSG021400; 5H-Sec 5(h) Homeownership, SP350, HSG021600, Pages 134 – 137, 139.

**ADDITIONAL INFORMATION:**

The City of Des Moines Municipal Housing Agency has occupied the rental space located at 117 Arthur Avenue since 2001, which was approved by the Municipal Housing Governing Board on May 21, 2001, by Roll Call No. 01-1597. On April 24, 2006, by Roll Call No. 06-774, the Municipal Housing Governing Board approved a new one-year Lease Agreement, renewable for four additional terms, with Ralph A. Berkinbine, 3260 E. Douglas, Des Moines, Iowa 50317, at a rate of \$3.12 for 10,000 square feet, for an annual payment of \$31,200, plus utility expenses which ran approximately \$29,000 for a total fiscal commitment of approximately \$60,000 annually.

This space was primarily used for centralized storage needs and served as a shop operation for minor work related to maintaining and servicing the Agency’s public housing units. Over the past several years as the Agency has disposed of property, converting to Section 8 vouchers, the need for this space has diminished. On March 23, 2010, the Agency informed Mr. Berkinbine that it would not be seeking renewal of the leased premises, which will terminate on June 30, 2010.

Staff has negotiated a new lease with the Des Moines Park and Recreation Department who shall provide 700 square feet of indoor (un-heated) storage space, 5,400 square feet of outdoor storage space, minimal temperature controlled space, access to its carpenter shop and shall also perform preventative maintenance and repairs to the Agency's small engine equipment (Mowers, Snow blowers, etc.).

The Lease Agreement, which is on file in the City Clerk's Office, provides for a lease rate of \$3.00 per square foot for the indoor cold storage, \$1.00 per square foot for outdoor storage and established fees and charges for small engine repairs through the City's Fleet Services RTA system, estimated at \$3,000 annually. Due to the Federal funding of the Agency, Regional Housing and Urban Development (HUD) staff recommended entering into a long-term lease for this centralized storage facility. The terms and conditions set forth include an initial five-year lease with three (five-year) renewals for a total of 20 years. The lease rate shall be reviewed/adjusted every five years during the renewal terms of this lease. Additionally, should the park maintenance operations relocate, the Agency would be included in that relocation plan under the same terms and conditions set forth in the Space Allocation Agreement, provided space is available and upon mutual agreement of both parties.

#### **PREVIOUS COUNCIL ACTION(S):**

Date: June 14, 2010

Roll Call Number: 10-905

Action: On lease of storage space at Parks Development Center, 405 SE 20<sup>th</sup> Street, by Des Moines Municipal Housing Agency, \$7,500 annually for a five-year term beginning July 1, 2010, with up to three five-year renewals with rate adjustments, (6-28-10). (Council Communication No. 10-360) Moved by Hensley to adopt. Motion Carried 7-0.

Date: April 24, 2006

Roll Call Number: 06-774

Action: [Approval](#) of Lease Agreement for the property located at 117 Arthur Avenue to be used for the Des Moines Municipal Housing Agency Maintenance Facility. (Board Communication No. 06-242) Moved by Hensley to approve. Motion Carried 7-0.

#### **BOARD/COMMISSION ACTION(S): NONE**

#### **ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE**

For more information on this and other agenda items, please call the City Clerk's Office at 515-283-4209 or visit the Clerk's Office on the second floor of City Hall, 400 Robert D. Ray Drive. Council agendas are available to the public at the City Clerk's Office on Thursday afternoon preceding Monday's Council meeting. Citizens can also request to receive meeting notices and agendas by email by calling the Clerk's Office or sending their request via email to [cityclerk@dmgov.org](mailto:cityclerk@dmgov.org).