

 <p style="text-align: center;">Council Communication Office of the City Manager</p>	Date: June 28, 2010
	Agenda Item No. 40 Roll Call No. <u>10-1059</u> Communication No. <u>10-395</u> Submitted by: Donald M. Tripp Park and Recreation Director

AGENDA HEADING:

Hold hearing for the lease of a portion of Parks Development Center at 405 SE 20th Street by Des Moines Municipal Housing Agency.

SYNOPSIS:

Recommend approval a public hearing to allow for public input regarding 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: \$10,500 Annually (estimate)
 \$ 7,500 Lease payment
 \$ 3,000 Small Engine maintenance and repair estimate

Funding Source: FY2009-2010 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.

Revenues from the Housing Services Department lease payments shall be deposited into the Park and Recreation Department’s operating budget; Parks Administration, GE001 PKS040100, page 183.

ADDITIONAL INFORMATION:

The City of Des Moines Municipal Housing Agency occupied the rental space located at 117 Arthur Avenue beginning in 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 disposed of property, converting to Section 8 vouchers, the need for this space diminished. On March 23, 2010, the Agency informed Mr. Berkinbine (Landlord) 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 Municipal Housing Agency whereby the Park and Recreation Department shall provide 700 square feet of indoor unheated storage space, 5,400 square feet of outdoor storage space, minimal temperature controlled space, access to its' carpenter shop and 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 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 25 years. The lease rate shall be reviewed/adjusted every five (5) 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 20th 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 adjustment, (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

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