

 <p style="text-align: center;">Council Communication Office of the City Manager</p>	Date: February 14, 2011
	Agenda Item No. 76 Roll Call No. <u>1-0260</u> Communication No. <u>11-072</u> Submitted by: Donald M. Tripp, Director of Park and Recreation

AGENDA HEADING:

Approval of the termination of the lease and management agreement between the City of Des Moines and Boys and Girls Club of Central Iowa for Logan Community Center.

SYNOPSIS:

Approval of termination of the lease and management agreement between the City of Des Moines (City) and the Boys and Girls Club of Central Iowa (BGCCI) for the use and management of the Logan Community Center (LCC) located at 1740 East Garfield at the request of BGCCI for their reasons of loss of attendance and increased operating and maintenance costs.

FISCAL IMPACT:

Amount: Estimated custodial fees of \$10,000 for the remainder of fiscal year 2011 and \$20,000-28,000 for fiscal year 2012.

Funding Source: FY2011 Operating Budget, Logan Community Center, GE001 PKS103400, page 207

ADDITIONAL INFORMATION:

In 1998, as a cost saving and service enhancement measure, the Park and Recreation Department sought private operating partners for the LCC. On October 5, 1998, by Roll Call No. 98-3179, the City Council authorized a short-term lease of the LCC to the BGCCI. On January 12, 2004, by Roll Call No. 04-097, the City Council authorized a 25-year lease agreement with the BGCCI for the use of the community center. Under the terms and conditions of the Lease Agreement, the City assumes infrastructure maintenance responsibilities of the building (HVAC, boiler, roof repairs) and the BGCCI pays \$1.00 annual rent, manages the day-to-day custodial services for the entire building, and provides minor maintenance and traditional BGCCI programs and services to the community. As a part of the lease, the City retains all lease income from other tenants (State of Iowa Department of Human Services and City of Des Moines' Community Services Site Office).

In a letter dated August 2, 2010, the BGCCI informed the Park and Recreation Department that due to a lack of registrations for summer programs at Logan, they had ceased programming and begun redirecting club members and their families served at the LCC to the other three BGCCI sites. The other club sites are now reserving openings for the Logan members and daily transportation to and from LCC is being provided. At the time of the August letter, 30 families normally served at the Logan site had signed up at one of the other three BGCCI locations. Although programming ceased at LCC during the summer, the

BGCCI continued to provide a custodian to monitor and clean the building and arranged for the Polk County Department of Human Services to open the community center each morning.

The letter further indicated low attendance, budget shortfalls, and disproportionate expenses in comparison to the other three leased sites had caused Logan to become a “target” as their board discussed ways to balance the organization’s budget. BGCCI had conducted an operational study at their Logan site and studied a couple of options:

Option 1

- Invest at least \$500,000 and complete a remodel of the building (grant money had already been retained and they would not have requested any CIP funds from the City).
- Re-strategize programs by reconnecting with area school principals.
- Recruit a new Unit Director and program staff.
- Re-open for programming starting summer of 2011.

Option 2

- Cease operations at LCC and request to be released from the lease with the City.

On August 18, 2010, the Park and Recreation Department responded to the BGCCI letter urging them to pursue option one and requesting more information about the renovation plans.

In a letter dated December 15, 2010, the BGCCI informed the Park and Recreation Department of their decision to no longer utilize the Logan site due to loss of daily attendance and increased operating and maintenance costs. BGCCI asked to terminate the lease agreement with the City of Des Moines by mutual agreement by December 31, 2010.

The Park and Recreation Department negotiated a termination agreement with the BGCCI which would allow the City sufficient time to provide for necessary custodial, building systems and security issues to be managed. Both parties mutually agreed that subject to approvals, the lease and management agreement shall terminate on February 28, 2011.

The Park and Recreation Department will then begin to implement a short-term plan for opening and closing the building, securing the empty spaces and providing custodial services for the remaining tenants. Staff has notified stakeholders including neighborhood leaders and building tenants regarding BGCCI’s departure from the building and arrangements for programs in the neighborhood. The City Council and the Park and Recreation Board will be asked to assist in an information gathering process to formulate a long-term strategy for the building.

Odell Jenkins, a local resident, has submitted a request to use the building for youth programming. He is hosting a meeting on Friday, February 25, 2011 at Logan Community Center to discuss his proposal.

PREVIOUS COUNCIL ACTION(S):

Date: January 12, 2004

Roll Call Number: [04-97](#)

Action: On Lease Agreement with the Boys and Girls Club of Central Iowa for the use of Logan Community Center, 1740 East Garfield Avenue. ([Council Communication No. 04-022](#)) Moved by Mahaffey to adopt. Motion Carried 6-0.

Date: December 22, 2003

Roll Call Number: [03-2881](#)

Action: On Lease Agreement with the Boys and Girls Club of Central Iowa for the use of Logan Community Center, 1740 East Garfield Avenue, (1-12-04). ([Council Communication No. 03-618](#)) Moved by Brooks to adopt. Motion Carried 7-0.

Date: May 1, 2000

Roll Call Number: 00-1303

Action: Letter of Proposal from Boys and Girls Clubs of Central Iowa seeking to manage programs and services provided at Logan and Southeast Community Centers. ([Council Communication No. 00-205](#)). Moved by Hensley to receive and file. Motion Carried 7-0.

BOARD/COMMISSION ACTION(S):

Board: Park and Recreation Board

Date: January 25, 2011

Resolution Number: 11-006

Action: Park and Recreation Board approved termination of the lease and management agreement with the Boys and Girls Club of Central Iowa.

Board: Park and Recreation Board

Date: December 28, 2010

Resolution Number: 10-110

Action: Park and Recreation Board received and filed letter from Boys and Girls Club requesting to terminate the Logan Community Center lease agreement.

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:

Approval of any future contractual agreements developed regarding use of the vacated space.

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