 <p style="text-align: center;">Council Communication Office of the City Manager</p>	Date: August 8, 2011
	Agenda Item No. 44 Roll Call No. <u>11-1391</u> Communication No. <u>11-526</u> Submitted by: Jeb E. Brewer, P.E., City Engineer

AGENDA HEADING:

Hold hearing for approval of proposed lease of City-owned property located under the Guthrie Avenue viaduct and adjacent to 2300 Delaware Avenue to Des Moines Bolt Supply, Inc. for \$8,500.

SYNOPSIS:

Recommend approval of lease agreement between Des Moines Bolt Supply, 2300 Delaware Avenue, Kevin Simmer, President, and the City of Des Moines for previously vacated Guthrie Avenue right-of-way located under the Guthrie Avenue viaduct and adjacent to 2300 Delaware Avenue. The lease shall be for a period of 10 years, commencing on the 1st day of September, 2011 and ending on August 31, 2021, subject to termination of the lease by either party for any reason with thirty (30) days written notice. The City shall also be allowed to temporarily retake possession of the property, upon reasonable notice, for any bridge repairs that are necessary during the term of the lease.

FISCAL IMPACT:

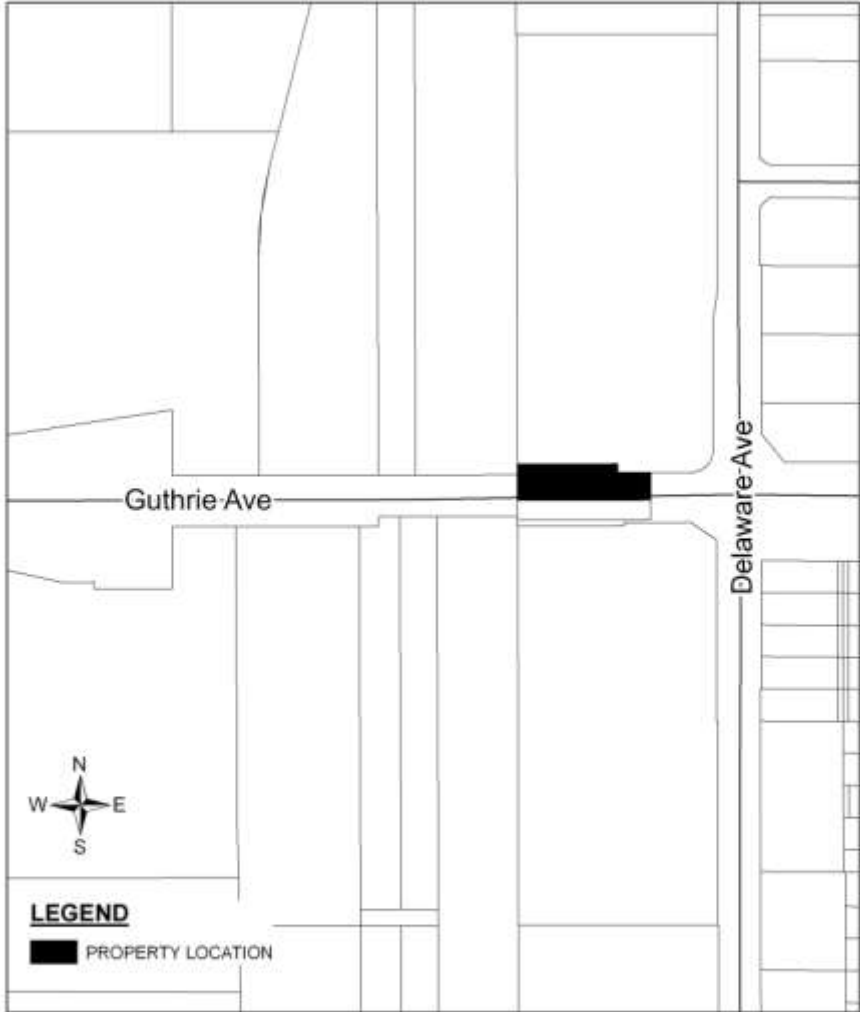
Amount: \$8,500.00 (Revenue)

Funding Source: Proceeds will be deposited into the Property Maintenance Endowment Fund, SP767, ENG980500. The first \$175,000 of annual proceeds to the Property Maintenance Endowment Fund will be returned to the General Fund (GE001, ENG040700) to offset the operating budget of the Engineering – Real Estate Division.

ADDITIONAL INFORMATION:

On April 22, 1996, by Roll Call No. 96-1589 the City Council of the City of Des Moines voted to vacate a portion of Guthrie Avenue right-of-way located under the Guthrie Avenue viaduct and lease the same to the Wayne L. Simmer Trust I and Wayne L. Simmer Trust II as lessee for a term of 15 years. Said lease agreement expired on April 30, 2011.

The rental rate of \$850.00 per year, payable in a single, upfront, lump sum payment of \$8,500.00 is equal to the estimated fair market rent value for this space. The Engineering Department is recommending the approval of this lease agreement as it provides revenue for property that would otherwise not be used, and also transfers the cost of property maintenance to the tenant during the term of the lease.



**LEASE TO
DES MOINES BOLT SUPPLY, INC.**

PREVIOUS COUNCIL ACTION(S):

Date: July 25, 2011

Roll Call Number: 11-1286

Action: [On](#) proposed lease of City-owned property under the Guthrie Avenue Viaduct and adjacent to 2300 Delaware Avenue to Des Moines Bolt Supply, Inc., \$8,500, (8-8-11). Moved by Hensley to adopt. Motion Carried 7-0.

Date: April 22, 1996

Roll Call Number: 96-1589

Action: On vacation and lease of public right-of-way under the Guthrie Avenue Viaduct, to Wayne L. Simmer Trust I and Wayne L. Simmer Trust II, 15-year term, annual rental of \$500 for first 5 years and \$750 for last 10 years. Moved by McPherson to adopt. Motion Carried 6-1.

Date: April 15, 1996

Roll Call Number: 96-1381

Action: Setting Date of Hearing on vacation and lease of above property, to Wayne L. Simmer Trust I and Wayne L. Simmer Trust II, 15-year term, annual rental of \$500 for first 5 years and \$750 for last 10 year, (4-22-96).

Date: April 15, 1996

Roll Call Number: 96-1380

Action: Regarding request from Wayne L. Simmer, for vacation of surface rights and lease of a portion of the Guthrie Avenue right-of-way under the Guthrie Avenue Viaduct and east of Delaware Avenue. Moved by Vlassis to adopt and to refer to City Manager and Legal Department for implementation. Motion Carried 7-0.

BOARD/COMMISSION ACTION(S): NONE

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE

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