 <p style="text-align: center;"><b>Council Communication</b> Office of the City Manager</p>	<b>Date:</b> April 8, 2013
	<b>Agenda Item No.</b> 20 <b>Roll Call No.</b> <u>13-0553</u> <b>Communication No.</b> <u>13-174</u> <b>Submitted by:</b> Benjamin R. Page, <b>Director of Park and Recreation</b>

**AGENDA HEADING:**

Set date of hearing on Concession Agreement with the Port of Des Moines, LLC for the Hub Spot.

**SYNOPSIS:**

Recommend to City Council to set date of hearing on Concession Agreement with the Port of Des Moines, LLC (Michael La Valle, Managing Partner and Sole Member, 1701 South Union Street, Des Moines, Iowa 50315) for the operation of the concessions of beverages and food to be offered at the Principal Riverwalk’s Hub Spot building and food or beverage carts on the plazas.

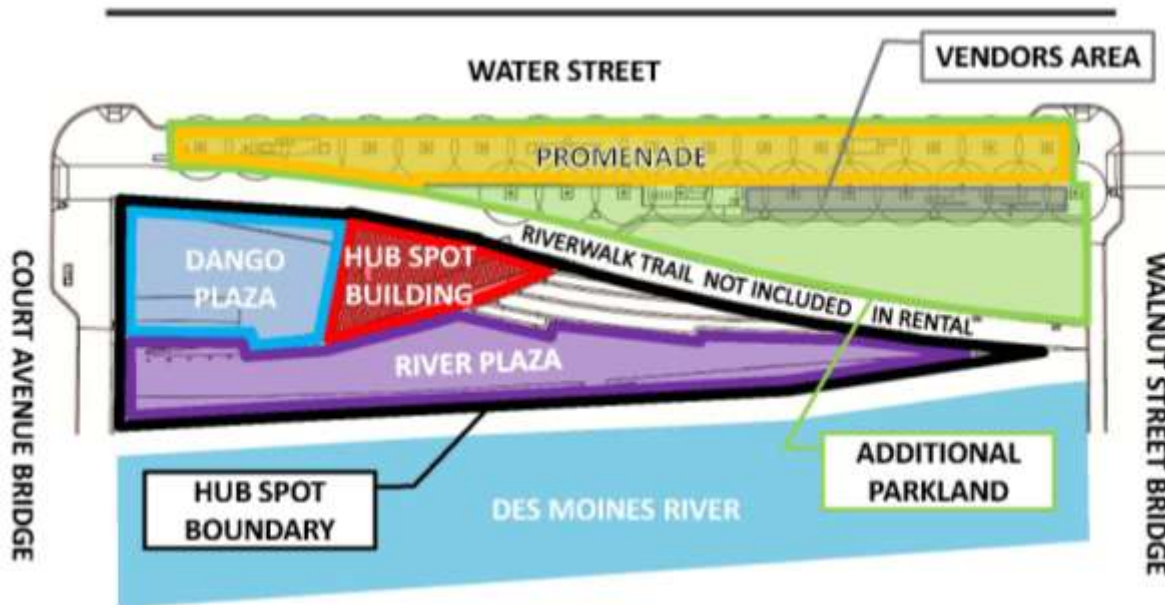
**FISCAL IMPACT:**

Amount: Revenue is to be based on percentage of sales and is unknown at this time.

**ADDITIONAL INFORMATION:**

The Principal Riverwalk features lighted, landscaped public spaces, world-class public art, and unique pedestrian bridges and pathways that connect downtown Des Moines with 300 miles of central Iowa trails. The project was funded in part through a generous gift from Principal Financial Group to the City of Des Moines in honor of its 125th anniversary. Among the completed project components are: Meredith Trail, Des Moines Union Railway Bridge renovation (a.k.a. Red Bridge), Center Street Bridge, Long Look Garden, World Food Prize Plaza, Brenton Skating Plaza, Hub Spot, Hansen Triangle, and the promenade. The Principal Riverwalk project began in 2004 and will be dedicated this spring.

The Hub Spot is located off the promenade between Court Avenue and Walnut Street on the west bank of the Des Moines River. The building contains 834 square feet, has a capacity of 70 people, offers public restrooms, and was designed to function as a limited menu restaurant/coffee shop. In addition to seating available inside the building, the outdoor plaza areas to the south and east provide seating with views overlooking the river. The south plaza also features the Greater Des Moines Public Art Foundation’s Dangos, five sculptures by artist Jan Kaneko. The Hub Spot’s location, riverside views, and indoor fireplace will provide a great year-round setting for smaller receptions, meetings, and events.



A concessionaire, Port of Des Moines, LLC, has been secured to exclusively offer food, non-alcoholic and alcoholic beverages. Staff seeks approval of the Hub Spot Concession Agreement with Port of Des Moines. In addition to offering food and beverages, the concessionaire is to coordinate food carts on a seasonal basis, provide basic custodial care of the building, promote and coordinate rentals of three locations - the Hub Spot building, adjacent “Dango Plaza,” and the River Plaza. Additional elements of the contract include:

- Term of the agreement - April 8, 2013 – December 13, 2017 with three additional one-year renewals based on mutual agreement.
- Vendor cart concession fee will be approved by the Park and Recreation Director.
- Rental rates for the three areas are set by City ordinance and permits for rentals will be signed by the Park and Recreation Department or their designee.
- Revenue rates from sales include -
  - 8% of all annual gross revenues for sales of food and beverages, excepting catering for third-parties, up to \$500,000 annually, 10% between \$500,000 and \$1,000,000 annually; and 11.5% thereafter.
  - 10% of all gross revenues for food and beverage catering to third-parties.
  - 50% of rental fees.
  - 50% of third-party food and non-alcoholic beverage cart space rental/concession fees.
- City can host events free of charge and also receive 20% discount on food and beverage prices.
- Port of Des Moines has the right to make alterations to the space including electrical improvements and additional signage after the Army Corps of Engineers has released the building to the City, all alterations must be approved by the Park and Recreation Director.
- An annual report is to be submitted to the Park and Recreation Director each year and is to include a summary of operations, gross revenues, etc. The City reserves the right to periodically audit the concessionaire’s financial records.
- Hours of operation -
  - April 15 – October 31
    - Monday – Thursday – 7:00 a.m. – 9:00 p.m.
    - Friday and Saturday – 7:00 a.m. – 10:00 p.m.
    - Sunday – 8:00 a.m. – 9:00 p.m.
  - November 1 – April 14 – reduced hours, opening minimum of 20 hours/week.

The Port of Des Moines' goals for the Hub Spot are to provide the very best level of services possible to individuals visiting in terms of presentation, product quality, customer satisfaction, and operating efficiency; maximize gross revenue and the corresponding financial return to the City; and increase use and awareness of the Hub Spot and Principal Riverwalk.

**PREVIOUS COUNCIL ACTION(S):**

Date: March 26, 2012

Roll Call Number: [12-0491](#)

Action: [On](#) granting of a license to Greater Des Moines Public Art Foundation for the installation, display and maintenance of five sculptures at the Hub Spot. ([Council Communication No. 12-132](#)) Moved by Hensley to adopt. Motion Carried 7-0.

Date: April 11, 2011

Roll Call Number: [11-0638](#)

Action: [Naming](#) of Court Avenue Plaza portion of the Principal Riverwalk as "The Hub Spot" and dedication of parkland. Moved by Hensley to adopt. Motion Carried 6-1.

Date: April 25, 2005

Roll Call Number: 05-1062

Action: Intergovernmental 28E Agreement with the Des Moines Riverfront Development Authority, for planning, constructing and maintaining riverfront improvements in the Downtown area. ([Council Communication No. 05-230](#)) Moved by Hensley to adopt. Motion Carried 7-0.

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

**ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE**

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