

 <p style="text-align: center;">Council Communication Office of the City Manager</p>	Date:	May 5, 2014
	Agenda Item No.	26
	Roll Call No.	<u>14-0700</u>
	Communication No.	<u>14-197</u>
	Submitted by:	Jeb E. Brewer, P.E., City Engineer

AGENDA HEADING:

Approval of Parking License Agreement Termination for Terrus Real Estate, LLC at Fifth and Walnut and Third and Court Avenue Garages.

SYNOPSIS:

Recommend approval of Parking License Agreement termination for Terrus Real Estate, LLC at the Fifth and Walnut and the Third and Court parking garages. Terrus Real Estate Group, LLC (Terrus) entered into a Parking License Agreement with the City in March 2012. At the time, Terrus had planned to relocate and establish its new headquarters in downtown Des Moines at 100 Court Avenue. The license agreement provided the parking needed for their relocated employees. They have had a downturn in the company and have not expanded as predicted. For this reason, Terrus has requested the termination of the original parking agreement. The license states they can cancel with six (6) months’ notice. Because they have no employees parking in the garages now, Terrus has asked to cancel with only three (3) months’ notice. They will pay for nine (9) spaces and the other 11 will be covered by one (1) of their tenants through a direct monthly payment to the parking system.

FISCAL IMPACT:

Amount: Loss of \$24,000 per year for the remaining eight (8) years of their agreement, a total of \$192,000 over the remaining term of the agreement.

Funding Source: 2014-2015 Operating Budget, Page 66, Engineering Department, Traffic & Transportation—Parking Administration, EG062085

ADDITIONAL INFORMATION:

Terrus Real Estate relocated its headquarters from 616 10th Street to 100 Court Avenue in March 2012. The company planned to construct \$200,000 in tenant improvements to the building, retain at least 20 jobs downtown during the first year, and projected hiring up to a total of 50 employees over the 10 year term of its lease. There has been a downturn in the company and they no longer have a plan to expand to 50 employees and therefore no longer have the need for additional parking in the City garages.

The parking license agreement was for a term of 10 years, for up to 50 monthly parking permits at the Fifth and Walnut and Third and Court Garages. Parking began in April 2012 at a reduced rate of \$77/month for a period of 12 months. Since April 2013, they have been paying the full prevailing market rate for monthly floater parking for their minimum of 20 spaces as defined in the license.

As part of this termination, Terrus would like the license to terminate June 30, 2014. They have asked to pay for three (3) months parking from April to June. They will pay for nine (9) spaces and the other 11 will be covered by one of their tenants through a direct monthly payment to the parking system. There is a current waiting list for monthly parkers at the Third and Court Garage so we will be able to fill the vacancy left by Terrus in this City ramp and Fifth and Walnut is scheduled to be demolished in 2015.

PREVIOUS COUNCIL ACTION(S):

Date: March 26, 2012

Roll Call Number: [12-0465](#)

Action: [Fifth](#) and Walnut, and Third and Court Parking Garage License Agreement with Terrus Real Estate, LLC. ([Council Communication No. 12-147](#)) Moved by Hensley to adopt. Motion Carried 7-0.

Date: September 12, 2011

Roll Call Number: [11-1655](#)

Action: [Amending](#) Chapter 114 of the Municipal Code regarding Saturday rates and temporary adjustment of rates in the Municipally-owned parking garages. Moved by Hensley that this ordinance do now pass, [#15,047](#). Motion Carried 7-0.

BOARD/COMMISSION ACTION(S): NONE

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE

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