

 <p style="text-align: center;">Council Communication Office of the City Manager</p>	Date: June 9, 2014
	Agenda Item No. 32 Roll Call No. <u>14-0860</u> Communication No. <u>14-251</u> Submitted by: Douglas C. Romig, Housing Services Director

AGENDA HEADING:

Approving amendment to Lease Agreement between Neighborhood Development Corporation (NDC) and City of Des Moines for tenant requested improvements to the Community Action Agency Sixth Avenue Office.

SYNOPSIS:

Requesting approval for an amendment to the lease agreement for the Des Moines Community Action Agency Sixth Avenue office (1612-1618 6th Avenue, Des Moines, IA) for tenant improvements between the Neighborhood Development Corporation and the Housing Services Department. The recommended changes would allow for tenant paid improvements to remodel the existing space allowing the Community Action administrative staff to relocate from Park Fair Mall to the Sixth Avenue office and reduce lease space/costs at the Park Fair Mall office location.

FISCAL IMPACT:

Amount: \$23,000 estimated

\$0 - \$3,000 to Community Action Agency Division (Tenant improvements should be equal to or less than the lease payment at Park Fair Mall)

\$20,000 in lease payment savings to the Des Moines Municipal Housing Agency Division

Funding Source: Community Action Agency: Community Development Block Grant, CDB02514, Page 120 and Des Moines Municipal Housing Agency (DMMHA): Central Office SP350 HS001000, page 118

ADDITIONAL INFORMATION:

The NDC and the City of Des Moines entered into a Lease Agreement, dated September 22, 2008, for the lease of 1612-1618 6th Avenue, Des Moines, IA to house the Des Moines Community Action Agency Office. In accordance with Section 5 of the lease, the City exercised its first option to renew the lease through October 31, 2018. The proposed lease amendment will increase the rent by \$1,019 per month to allow for the tenant-requested improvements to the existing space.

The DMMHA is currently leasing space at Park Fair Mall that is shared with the Des Moines Community Action Agency in an amount of \$20,000 annually. Staff has been reduced due to federal budget cuts. Because of these cuts the Des Moines Community Action Agency staff currently located at

Park Fair Mall will be able to relocate to the Sixth Avenue office. The result of this move will allow for the entire Community Action Agency staff to be located in the same building. Additionally, the DMMHA will be able to reduce its lease space at Park Fair Mall thereby saving the Housing Agency approximately \$10,000 per year for the next two (2) years. This savings will be in place until a new lease is negotiated with Polk County relocating the entire Housing Services Department to Polk County Riverplace (2309 Euclid) in the summer of 2016. Under the terms and conditions in the current lease agreement, the City must provide a sixty (60) day written notice upon early termination of the lease. The Housing Services Department has been in discussions with NDC regarding this anticipated move and official notification will be submitted once a relocation date has been determined.

PREVIOUS COUNCIL ACTION(S):

Date: March 10, 2014

Roll Call Number: [14-0344](#)

Action: [Authorizing](#) the City Manager or his designee to negotiate terms and conditions to lease space at 2309 Euclid Avenue (Polk County Riverplace) to house the City of Des Moines Housing Department. Sponsor: Coleman. Moved by Coleman to adopt. Motion carried 7-0.

Date: September 22, 2008

Roll Call Number: [08-1672](#)

Action: [Proposed](#) Lease Agreement with Neighborhood Development Corporation for building located at 1618 6th Avenue, for relocation of the Forest Avenue site office. ([Council Communication No. 08-585](#)) Moved by Hensley to adopt. Motion Carried 7-0.

BOARD/COMMISSION ACTION(S): NONE

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE

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