 <p style="text-align: center;">Council Communication Office of the City Manager</p>	Date:	December 7, 2015
	Agenda Item No.	44
	Roll Call No.	<u>15-2085 15-2086</u>
	Communication No.	<u>15-638</u>
	Submitted by:	Scott E. Sanders, City Manager

AGENDA HEADING:

Resolution approving form and authorizing execution of a lease agreement and related documents between the City of Des Moines, Iowa and Capitol Center 2, LLC for the rental of office space at 400 East Court Avenue, Suites 114, 116 118 and 200.

SYNOPSIS:

Recommend approval for a lease with Capitol Center 2, LLC, Chris Curran, Senior Vice President, Realty Marketing Group as agent, 1225 Jordan Creek Pkwy, Suite 200, West Des Moines, IA 50266, for the rental of office space at 400 East Court Avenue, suites 114, 116, 118 and 200, to be used for the temporary relocation of City Hall employees. This action is required by Iowa law prior to making a final determination on the proposed lease by resolution.

FISCAL IMPACT:

Amount: \$982,052.13, plus tenant improvement and moving costs yet to be determined.

Funding Source: The Lease Agreement shall be payable solely out of the City’s General Fund.

ADDITIONAL INFORMATION:

In spring of 2016 work will begin on the City Hall Parking lot. In summer 2016 the Grand Avenue Bridge demolition and reconstruction will commence. City Hall requires a new boiler, HVAC, sprinkler upgrades, and asbestos abatement. This work, coupled with the adjacent projects, will significantly impact our citizens’ and employees’ ability to access and manage day-to-day operations. For these reasons, City Hall will be temporarily relocated to 400 East Court Avenue during this time.

The terms of the Lease Agreement have been negotiated by and between the City and Capitol Center 2, LLC, pursuant to which the City would lease said real estate, and are set forth as follows:

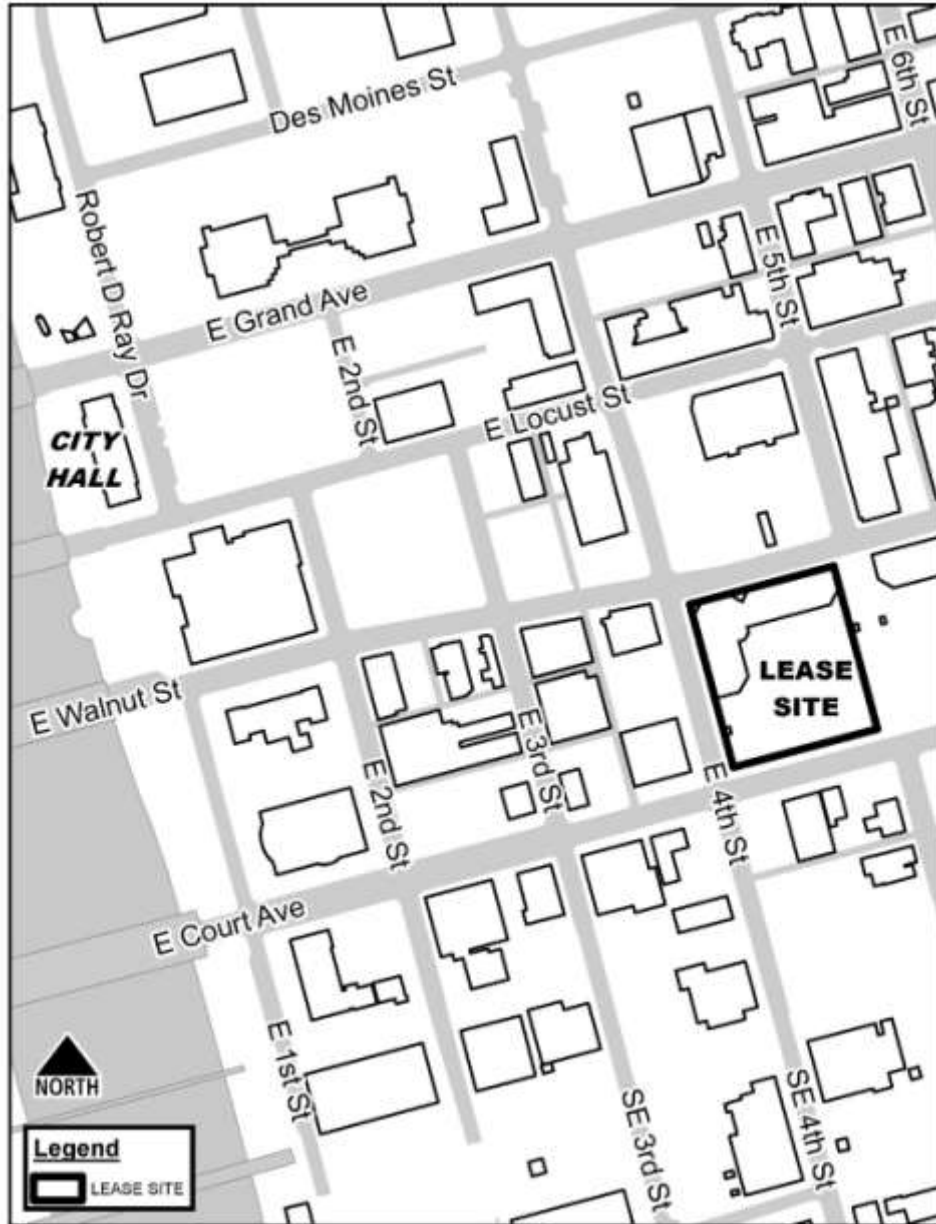
1. Possession of the premises would be given to the City on April 1, 2016.
2. The initial lease term shall be 32 months.
3. The premises contain a total of 23,089-square-feet between Suites 114, 116, 118 and 200.
4. The City shall pay an estimated total of \$982,052.13 for the initial term of the Lease Agreement, as follows:
 - a) \$366,653.32 for the first 12 months of the Lease Agreement,
 - b) \$368,500.44 for months 13 through 24 of the Lease Agreement, and

c) \$246,898.37 for months 25 through 32 of the Lease Agreement.

5. At the end of month 24, the City shall have the right to terminate the Lease Agreement early.

The above terms represent the estimated fair market value of the Lease Agreement, as currently estimated by the City's Real Estate Division.

The agreement will also include professional space planning to assist departments in facilitating departmental layouts within the leased space.



PREVIOUS COUNCIL ACTION(S):

Date: November 23, 2015

Roll Call Number: [15-1962](#)

Action: [On](#) Lease Agreement with Capitol Center, LLC for office space at 400 E. Court Avenue, Suites 114, 116, 118 and 200, (12-7-15). Moved by Hensley to adopt. Motion Carried 7-0.

BOARD/COMMISSION ACTION(S): NONE

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:

For more information on this and other agenda items, please call the City Clerk's Office at 515-283-4209 or visit the Clerk's Office on the first floor of City Hall, 400 Robert D. Ray Drive. Council agendas are available to the public at the City Clerk's Office on Thursday afternoon preceding Monday's Council meeting. Citizens can also request to receive meeting notices and agendas by email by calling the Clerk's Office or sending their request via email to cityclerk@dmgov.org.