

 <p style="text-align: center;"><b>Council Communication</b> Office of the City Manager</p>	<b>Date:</b> May 9, 2016
	<b>Agenda Item No.</b> 51 <b>Roll Call No.</b> <u>16-0796</u> <b>Communication No.</b> <u>16-243</u> <b>Submitted by:</b> Benjamin R. Page, Park and Recreation Director

**AGENDA HEADING:**

Approving the Renewal Agreement for Downtown Maintenance at Principal Riverwalk, East Locust Streetscape, Martin Luther King, Jr. Parkway and Gateway West and exemption from the City’s procurement ordinance requirements.

**SYNOPSIS:**

Recommend authorization for the City Manager to execute a 3-year Renewal Agreement between the City of Des Moines and the Downtown Des Moines Self-Supported Municipal Improvement District relating to maintenance of the Principal Riverwalk, East Locust Streetscape, Martin Luther King, Jr. Parkway and Gateway West.

**FISCAL IMPACT:**

Amount: \$396,000 per year cash or in-kind (\$290,000 cash, \$106,000 in-kind).

Funding Source: Fiscal Year (FY) 2017, Operating Budget, Park and Recreation Department, Downtown Maintenance, G001, PK200225, page 157.

**ADDITIONAL INFORMATION:**

On September, 25, 2006, by Roll Call No 06-1930, City Council approved the Management and Operations Agreement between the City of Des Moines, Riverfront Development Authority (RDA), and Des Moines Downtown Self Supported Municipal Improvement District (SSMID) for overall appearance, cleanliness, beautification and management of downtown’s Gateway West, the Principal Riverwalk, Martin Luther King, Jr. Parkway, and East Village Streetscape through the management firm of Operation Downtown, Inc. (OD).

On April 29, 2009, by Roll Call No. 09-694, City Council agreed to renew the Agreement, set to expire July 1, 2014, under the same terms and conditions. On February 24, 2014, by Roll Call No.14-0312, City Council approved a 2-year renewal of the Agreement through July 1, 2016, under the same terms and conditions. The Agreement provided for required maintenance for these areas in a manner that is consistent with the standards of appearance, safety and functionality agreed to by an established committee of advisors known as the Advisory Oversight Committee (AOC), consisting of representatives of the City and RDA, which meets with OD staff to provide oversight. The Agreement specifically excludes management of programs and schedules, which are the responsibility of the Park and Recreation Department.

In the Agreement, the City is obligated to contribute \$396,000 in cash or in-kind service annually. In FY 2017, it is anticipated that approximately \$106,000 of this obligation will be met in the form of in-kind work, such as that which is detailed in the Downtown Maintenance Responsibility matrix attached to the Roll Call, as well as through the assumption of the liability for the Principal Riverwalk. It is anticipated that a similar amount of in-kind service will offset the City's FY 2018 and FY 2019 financial obligation. The City will continue to have ongoing responsibility for capital repair and replacement of park and streetscape infrastructure apart from the \$396,000 maintenance funding.

In addition to funding from the City of Des Moines, the Agreement requires the SSMID to provide \$725,000 in cash annually through FY 2019 to cover expenses.

The Agreement provides for the SSMID, through OD, to act as the contracting authority for private contractors and to select the most qualified and economical vendors to do the required maintenance work. The City and RDA representatives in the AOC have the ability to voice their preference in this regard.

This Agreement Renewal has been approved by the SSMID board. If approved by Council, the 3-year renewal will commence on July 1, 2016 and expire on June 30, 2019.

Significant changes incorporated in the agreement include:

- Since the RDA annual funding obligation of \$250,000 ends FY2016, the City's and OD's contribution will each increase \$125,000 annually.
- The City's cash contribution of \$269,000 (\$375,000 minus \$106,000 in-kind) will have an annual inflator or deflator not to exceed 3% annually based on increases or decreases in property tax valuations within the SSMID boundaries.
- Additionally, maintenance costs for E. Martin Luther King Jr. Parkway, from the Des Moines River to E. 9<sup>th</sup> Street, will be paid two-thirds by OD and one-third by the City. This allows OD to keep the contracts for plant maintenance, mowing, irrigation and snow removal instead of stopping at the SSMID boundary at E. 7<sup>th</sup> Street which is in the middle of a median. Estimated annual expense to the City of \$21,000.
- OD will pay the City \$15,000 annually for Long Term Capital Repairs.

#### **PREVIOUS COUNCIL ACTION(S):**

Date: February 24, 2014

Roll Call Number: [14-0312](#)

Action: [Renewal](#) Agreement for downtown maintenance at Gateway Park, Principal Riverwalk, MLK Jr. Parkway and East Locust Streetscape. ([Council Communication No. 14-079](#)) Moved by Coleman to adopt, refer to the City Manager to monitor the contract and at the time of renewal to make it a more permanent agreement with a more permanent funding source. Motion Carried 7-0.

#### **BOARD/COMMISSION ACTION(S):**

Board: Park and Recreation Board

Date: September 13, 2006

Roll Call Number: 06-091

Action: Park and Recreation Board approval of the downtown operations and maintenance agreement.

**ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE**

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 second 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](mailto:cityclerk@dmgov.org).