

 <p style="text-align: center;">Council Communication Office of the City Manager</p>	Date: December 18, 2017
	Agenda Item No. 39 Roll Call No. <u>17-2160</u> Communication No. <u>17-844</u> Submitted by: Benjamin R. Page, Park and Recreation Director

AGENDA HEADING:

Approve 1-year renewal of the Concession Agreement with Port of Des Moines, LLC for the Hub Spot.

SYNOPSIS:

Recommend approving a 1-year renewal of the 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 beverage and food to be offered at the Principal Riverwalk’s Hub Spot.

FISCAL IMPACT:

Amount: \$40,000 (Estimate based on the City’s averaged net revenue from 2016 and 2017).

Funding Source: FY2018 Downtown Maintenance, G001 PK200225, page 153.

ADDITIONAL INFORMATION:

- Port of Des Moines shall pay the City 8% of all gross revenues for sales of food and beverage, excluding catering for third parties, up to \$500,000 annually; 10% up to \$1,000,000 annually; and 11.5% thereafter and 10% of all gross revenues for food and beverage catering to third parties, 50% of the use fees for rentals of The Hub Spot building and plaza and 50% of the third party food and non-alcoholic beverage cart space rental/concession fee.
- The City shall receive a discount of 20% on food and beverage prices for all City sponsored events. The City retains the right to use The Hub Spot for no rental fee for events.
- The Agreement started on April 1, 2013 and runs through December 31, 2017. There is an option to renew for three (3) additional 1-year periods upon mutual agreement of parties under the same terms and conditions.

PREVIOUS COUNCIL ACTION(S):

Date: April 22, 2013

Roll Call Number: [13-0671](#)

Action: [On](#) Concession Agreement with Port of Des Moines, LLC to operate a food and beverage concession at the Hub Spot located at the northeast corner of Court Avenue and Water Street from April 1, 2013 through December 21, 2017. ([Council Communication No. 13-196](#)) Moved by Hensley to adopt. Motion Carried 7-0.

BOARD/COMMISSION ACTION(S): NONE

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE

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