


## COUNCIL COMMUNICATION

	Number:	<b>19-031</b>	Meeting:	<b>January 28, 2019</b>
	Agenda Item:	<b>29</b>	Roll Call:	<b>19-139</b>
	Submitted by:	<b>Benjamin R. Page, Park and Recreation Director</b>		

### AGENDA HEADING:

Approve a 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: \$38,289.29 Revenue - Estimated based on the City's averaged net revenue from 2017 (\$42,156.55) and 2018 (\$34,422.03)

Funding Source: Deposited to FY2019 Downtown Maintenance, G001 PK200225, page 158

### 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 in revenues annually; 10% up to \$1,000,000 in revenues annually and 11.5% of revenues thereafter
  - 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
  - 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 the initial term ended on 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. This is the second renewal and will run through December 31, 2019.

**PREVIOUS COUNCIL ACTION(S):**

Date: December 18, 2017

Roll Call Number: [17-2160](#)

Action: [Renewal](#) of Concession Agreement with Port of Des Moines, LLC for the Hub Spot. ([Council Communication No. 17-844](#)) Moved by Hensley to adopt. Motion Carried 7-0.

**BOARD/COMMISSION ACTION(S): NONE**

**ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE**

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