

## COUNCIL COMMUNICATION

 CITY OF DES MOINES OFFICE OF THE CITY MANAGER	Number:	<b>22-398</b>	Meeting:	<b>September 12, 2022</b>
	Agenda Item:	<b>40</b>	Roll Call:	<b>22-1420</b>
	Submitted by:	<b>Benjamin R. Page, Park and Recreation Director</b>		

### AGENDA HEADING:

Setting date of hearing on Fifth Amendment to Lease Agreement with DBH Iowa, LLC for lease of Principal Park.

### SYNOPSIS:

Setting the date of hearing to amend the current lease with DBH Iowa, LLC (Lessee) to extend the lease until December 31, 2032, with Lessee having an option to renew for two (2) additional five (5) year periods, to address pending public improvements occurring on the leased premises and a contribution to said improvements by Lessee.

### FISCAL IMPACT:

Amount: Up to a \$1,000,000 contribution.

Funding Source: Contribution directed to 2022-23 Capital Improvement Program (CIP), Page 70, Principal Park, PK132.

### ADDITIONAL INFORMATION:

- The City and Greater Des Moines Baseball Co. entered into a Lease Agreement as of August 26, 1991, an Addendum to Lease Agreement as of September 13, 1999, an Amendment dated August 23, 2004, a Second Amendment dated October 9, 2006, a Third Amendment dated April 7, 2008, and a Fourth Amendment dated March 6, 2017, under which Lessee was granted a lease of the premises described in the Lease, and commonly referred to as Principal Park, f/k/a Sec Taylor Stadium, the team clubhouse building and surrounding parking lots and grounds, for a period commencing at 12:01 A.M. on March 1, 1992, and, subject to the option periods which may be exercised by Lessee, shall end at 12:01 A.M. on December 31, 2027, subject to applicable provisions of the Municipal Code of the City of Des Moines, Iowa, and terms and conditions of the Lease.
- A consent to assignment of Lease Agreement by Greater Des Moines Baseball Co. to DBH Iowa, LLC was approved on December 20, 2021, by Roll Call No. 21-1935.

- This fifth amendment to the Lease Agreement extends the agreement for five (5) additional years until December 31, 2032, with Lessee having an option to renew for two (2) additional five (5) year periods.
- Additionally, the amendment establishes that Lessee agrees to provide an up to \$1,000,000 contribution towards the completion of the Principal Park Phase 1 Improvements. These improvements will move Principal Park toward required compliance with Major League Baseball's new Minor League Baseball facility standards and will address other deficiencies and aging components of the facility.
- Lessee's funding shall be provided to City in installments as follows:
  - 1<sup>st</sup> Installment: \$250,000 paid to City on or before the date of hearing of the City Council in consideration of the Fifth Amendment to Lease Agreement, anticipated to be October 3, 2022.
  - 2<sup>nd</sup> Installment: \$250,000 paid to City by March 1, 2023.
  - 3<sup>rd</sup> Installment: \$250,000 paid to City by September 1, 2023.
  - 4<sup>th</sup> Installment: An amount not to exceed \$250,000, representing costs to the City exceeding the project budget, paid to City by February 1, 2024.
- Lessee's contribution shall be used in the following order of priority:
  - (1) Toward the difference/overage, if any, between the City funded project budget of \$7,045,000 and the base bid amount, which generally includes improvements to the current clubhouse building, replacement of aging mechanical, electrical and plumbing systems, and improved flood resiliency;
  - (2) Toward the bid amount of Alternate 1, which generally includes demolishing the existing outfield wall and constructing a new outfield wall, estimated at \$275,000, if included in the Project;
  - (3) Toward the total bid amount of Alternate 2, which generally includes demolishing existing fences and gates, regrading parking area, installing new paving, curbs, sidewalks, and net system above parking area, furnishing and installing new fencing, gates, and parking lot lighting, estimated at \$460,000, if included in the Project; and
  - (4) Toward actual costs of construction incurred by the City to the extent that said costs exceed the City funded project budget.



**PREVIOUS COUNCIL ACTION(S):**

Date: August 8, 2022

Roll Call Number: [22-1223](#)

Action: [Ordering](#) construction of Principal Park Phase 1 Improvements: Receiving of bids, (9-13-22) and Setting date of hearing, (10-3-22), Engineer's estimate, \$5,800,000. ([Council Communication No. 22-374](#)) Moved by Gatto to adopt. Second by Boesen. Motion Carried 7-0.

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

**ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:**

Anticipated related future actions include hearing for approval of Fifth Amendment to Lease Agreement with DBH Iowa, LLC for lease of Principal Park.

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