


# COUNCIL COMMUNICATION

	Number:	<b>25-081</b>	Meeting:	<b>February 24, 2025</b>
	Agenda Item:	<b>36</b>	Roll Call:	<b>25-0276</b>
	Submitted by:	<b>Nickolas Schaul, Finance Director</b>		

## AGENDA HEADING:

Approving an amendment to the parking lease agreement at the Park & Ride Facility with Principal Life Insurance Company.

## SYNOPSIS:

Recommend approval of an amendment to the existing parking lease agreement between the City and Principal Life Insurance company at the “Park & Ride Facility” located at 830 6th Avenue.

This amendment clarifies the annual calculation of the lease cost per space and adjusts the number of spaces rented from 900 to 867 per month. The original agreement from 1997 was vague as to the calculation approach. This amendment removes that vagueness.

## FISCAL IMPACT:

Amount: \$193,000 – credit for previous calculations

Funding Source: Fiscal Year (FY) 2024-2025 Operating Budget, T&T Park and Ride Operation, E078 EG062086, Page 69

## ADDITIONAL INFORMATION:

- A parking lease agreement was signed between the City and Principal Mutual Life Insurance Company (Principal) on December 22, 1997. The lease was for 900 spaces at the Park & Ride facility, located at 830 6th Avenue, Des Moines, Iowa, and has a term of 40 years.
- The calculation method used to determine the annual payment has been consistent since the start of the lease, but in 2023 Principal questioned the approach that was being used. After discussions with Finance, Legal and Economic Development, a compromise was reached that acknowledges calculation differences of lease payments by Principal and clarifies the calculation methodology for future payments.

## PREVIOUS COUNCIL ACTION(S):

Date: December 22, 1997

Roll Call Number: 97-4072

Action: On lease for parking spaces in the Park and Ride Facility to Principal Mutual Life Insurance Company. Moved by Vlassis to adopt. Motion Carried 5-0. Council Member Hensley declares a conflict of interest, and abstains from voting.

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

**ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE**

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