

★ **Roll Call Number**

Agenda Item Number ✓

22

.....
Date May 21, 2012.....

SET HEARING ON PROPOSED LEASE OF CITY-OWNED PROPERTY IN THE UPPER LEVEL OF THE 5th AND KEO WAY PARKING GARAGE TO DES MOINES DAYCARE, L.L.C. FOR \$41,064 FOR FIRST YEAR AND \$61,596 FOR SUBSEQUENT YEARS (INITIAL LEASE TERM)

WHEREAS, the City of Des Moines owns the 5th and Keo Way parking garage, of which a portion on the top floor of the north end of said ramp, as more particularly described below (“Leased Premises”), was previously operated by Drake University by agreement with the City as a Head Start child care program; and

WHEREAS, Des Moines Daycare, L.L.C. (Registered Agent: Jason Springer, 3111 Douglas Avenue, Des Moines, IA 50310) has proposed to enter into a Lease Agreement with the City for the purpose of operating the Des Moines Daycare Center within the Leased Premises; and

WHEREAS, City staff and Des Moines Daycare, L.L.C. are negotiating said Lease Agreement for an initial term of five years, with lessee’s option to renew for two additional five-year terms, subject to various lease provisions including but not limited to termination options for the City and lessee; rental payments of \$41,064 for the first year and \$61,596 per year thereafter during the initial lease term with a ten percent (10%) increase for each additional renewal term, which amount represents fair market rent as currently determined by the City’s Real Estate Division; that the City shall make available to lessee 12 spaces in the 5th & Keo Way parking garage as part of the Leased Premises; and that the City shall be responsible for the cost and performance of any major mechanical or structural repairs or replacements within the Leased Premises, and lessee shall be responsible for purchasing, repairing, and replacing any appliances and for the cost and scheduling of annual maintenance reviews and for snow removal from the outdoor areas and roof of the Leased Premises; and

WHEREAS, the City of Des Moines has no immediate or short term municipal purpose or use for the Leased Premises, and it is in the best interest of the City to enter into a Lease Agreement with Des Moines Daycare, L.L.C.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Des Moines, Iowa, as follows:

1. That the City Council proposes to lease the following legally described real property (“Leased Premises”) to Des Moines Daycare, L.L.C. for the purpose stated above, and to make available to lessee 12 spaces in the 5th & Keo Way parking garage as part of the Leased Premises:

20,530 square feet on the top floor of the north end of the 5th & Keo Way parking garage, which area is legally described as follows:

AIRSPACE SITUATED ABOVE A PORTION OF LOTS 10, 15 THRU 21, AND A PORTION OF THE EAST/WEST ALLEY LYING SOUTH OF AND ADJOINING SAID LOTS 14 THRU 21, AND ALL OF LOTS D AND 11, ALL IN THE NEW YMCA PLAT, AN OFFICIAL PLAT,



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ALL NOW INCLUDED IN AND FORMING A PART OF THE CITY OF DES MOINES,
POLK COUNTY, IOWA.

- 2. That said lease proposal includes rental payments of \$41,064 for the first year and \$61,596 per year thereafter during the initial lease term, with two five-year options to renew with a ten percent (10%) increase in monthly rental payments for each renewal term, and subject to various lease provisions including but not limited to those set forth herein above.
- 3. That the meeting of the City Council at which the adoption of the lease of such property is to be considered shall be on June 11, 2012, said meeting to be held at 5:00 p.m., in the Council Chamber, 400 Robert D. Ray Drive, Des Moines, Iowa.
- 4. That the City Clerk is hereby authorized and directed to publish notice of said proposal in the form hereto attached, all in accordance with Section 362.3 of the Iowa Code.
- 5. The proceeds from the lease of this property shall be deposited into the following account: 2012-13 Operating Budget, Page 70, T & T – Parking Administration, EN051, ENG100701.

Moved by _____ to adopt.

APPROVED AS TO FORM:

Glenna K. Frank
Glenna K. Frank, Assistant City Attorney

PSV

COUNCIL ACTION	YEAS	NAYS	PASS	ABSENT
COWNIE				
COLEMAN				
GRIESS				
HENSLEY				
MAHAFFEY				
MEYER				
MOORE				
TOTAL				
MOTION CARRIED	APPROVED			
_____ Mayor				

CERTIFICATE

I, DIANE RAUH, City Clerk of said City hereby certify that at a meeting of the City Council of said City of Des Moines, held on the above date, among other proceedings the above was adopted.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my seal the day and year first above written.

_____ City Clerk

Watson Powell Jr Way

5th Ave

4th St

Grand Ave

4th St

Legend
 PROJECT LOCATION

