



Roll Call Number

18-0937

Agenda Item Number

74

Date May 21, 2018

RESOLUTION DISMISSING HEARING ON PROPOSAL TO TAKE ACTION ON AN AMENDMENT TO LEASE BETWEEN THE CITY OF DES MOINES AND CAPITOL CENTER 2, LLC FOR THE RENTAL OF OFFICE SPACE AT 400 EAST COURT AVENUE SUITES 114, 116, 118 AND 200

WHEREAS, on December 7, 2015, by Roll Call No. 15-2086, the City Council approved form and authorized execution of a Lease Agreement and related documents between the City of Des Moines, Iowa, and Capitol Center 2, LLC for the rental of office space at 400 East Court Avenue Suites 114, 116, 118 and 200 ("Lease"), which lease is set to terminate on November 30, 2018; and

WHEREAS, the City of Des Moines ("City") negotiated a First Amendment to Lease with the following terms to allow for the temporary relocation of City employees and functions from the Armory Building:

1. A first renewal term of five (5) years, commencing on December 1, 2018, with an option to renew for an additional renewal term of five (5) years.
2. The premises contain a total of 23,089 square feet between Suites 114, 116, 118 and 200, which reflects the same space that is currently rented under the Lease.
3. The City shall pay an estimated total of \$2,114,350 in rent payments (principal) during the first renewal term of five (5) years, and an estimated total of \$2,380,686 in rent payments (principal) during the optional additional renewal term of five (5) years, if exercised.
4. If the optional additional renewal term is exercised, the City shall have the right to terminate the Lease Agreement early effective May 31, 2026 by giving 12 months advance written notice and payment of a termination fee equivalent to three (3) months of rent; and

WHEREAS, a copy of the proposed First Amendment to Lease is on file in the Office of the City Clerk; and

WHEREAS, the First Amendment to Lease shall be payable solely out of the City's general fund and will not cause the total annual lease payments due from the general fund in any single future fiscal year for all leases currently in force to exceed ten percent of the last certified general fund budget amount; and

WHEREAS, by Roll Call No. 18-0629 of April 9, 2018, the City Council in accordance with Section 364.4(4) of the Iowa Code held a public hearing to discuss entering into the First Amendment to Lease and following such public hearing the City Council expressed its intent to enter into the First Amendment to Lease; and

WHEREAS, in accordance with Section 364.4(4) of the Iowa Code it is necessary for the City Council to hold the subsequent public hearing to take action to enter into the First Amendment to Lease subject to the right to petition for election; and

WHEREAS, notice of the public hearing on the proposal to take action to enter into the First Amendment to Lease and the right to petition for an election has been published in accordance with the requirements of Section 364.4(4) of the Iowa Code and the City Clerk has reported that no such petition has been filed requesting that the question of entering into the First Amendment to Lease be submitted to the registered legal voters of the City; and



Roll Call Number

18-0937

Agenda Item Number

74

Date May 21, 2018

WHEREAS, since the time of said publication, it has been determined that it is in the City's best interest to further evaluate the options for relocation of City staff and functions from the Armory Building and to dismiss the public hearing on the proposal to take action to enter into the First Amendment to Lease between the City and Capitol Center 2, LLC.

NOW THEREFORE BE IT RESOLVED by the City Council of the City of Des Moines, Iowa, that upon due consideration of the facts, Council hereby dismisses the public hearing and the approval of the First Amendment to Lease between the City and Capitol Center 2, LLC.

Moved by Coleman to adopt.

APPROVED AS TO FORM:

Signature of Lisa A. Wieland, Assistant City Attorney

PSW

Table with 5 columns: COUNCIL ACTION, YEAS, NAYS, PASS, ABSENT. Rows include COWNIE, BOESEN, COLEMAN, GATTO, GRAY, MANDELBAUM, WESTERGAARD, and TOTAL (YEAS: 7).

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.

Signature of T. M. Franklin, Mayor

Signature of Diane Rauh, City Clerk