



**Roll Call Number**

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**Agenda Item Number**

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**Date** September 16, 2024

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**SET HEARING FOR APPROVAL OF A COMMERCIAL LEASE AGREEMENT WITH PANOM & SONS LLC D/B/A BLU THAI FOOD AND SUSHI FOR USE OF SUITE 309 FOR RESTAURANT PURPOSES LOCATED IN CITY-OWNED PROPERTY AT THE T.M. FRANKLIN COWNIE CITY ADMINISTRATION BUILDING LOCATED AT 1200 LOCUST STREET**

**WHEREAS**, Nationwide Mutual Insurance Company, an Ohio mutual insurance company, and Panom & Sons LLC d/b/a Blu Thai Food and Sushi ("Lessee") entered into a Lease Agreement, dated November 1, 2021, for the lease of certain real property located at 1200 Locust Street; and

**WHEREAS**, Lessee is prohibited from service or consumption of alcoholic beverages under the lease with Nationwide Mutual Insurance Company; and

**WHEREAS**, City has acquired ownership of said property, hereinafter legally described; and

**WHEREAS**, such lease between Nationwide Mutual Insurance Company and Lessee was assigned to the City; and

**WHEREAS**, the City's Real Estate Division has negotiated a new Lease Agreement with Lessee, for lease of Suite 309 located in City-owned property at the T.M. Franklin Cownie City Administration Building located at 1200 Locust Street (hereinafter Leased Premises), which Agreement will include, among other terms, a five-year lease term, a monthly rent payment of \$2,400.00 and additional consideration including the following:

- A) In addition to rent, the Lessee shall pay the Lessee's proportionate share of Real Estate Taxes as computed by the county assessor and identified on the Auditor's page as Building on lease land (District Parcel ID – 020/32404-362-901);
- B) Lessee shall furnish and pay, at its sole expense, for all charges and connection costs relating to gas, electricity, water, heating, air conditioning, steam, telephone or television, and any other utilities used by the Lessee, including all assessments relating thereto, to the persons, firms or corporations furnishing the same during the Term of this lease, and Lessee agrees to comply with all rules, regulations and requirements of such persons, firms or corporations furnishing utilities and the laws and ordinances applicable thereto. Lessee shall further be responsible for payment of any utility bills that accrue during Lessee's use of the Leased Premises prior to termination of this Lease Agreement that are billed during such termination;
- C) Lessee shall use the Leased Premises solely for the purpose of a restaurant primarily serving Thai food, which may include the service or consumption of alcoholic beverages, subject to the issuance of all required permits and/or licenses by City;



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which amounts reflect the fair market value of the leased area as determined by the City’s Real Estate Division; and

**WHEREAS**, the City will not be inconvenienced by the lease of said property.

**NOW, THEREFORE, BE IT RESOLVED** by the City Council of the City of Des Moines, Iowa, that:

1. The City of Des Moines, Iowa, is the owner of property, locally known as the T.M. Franklin Cownie City Administration Building located at 1200 Locust Street, and legally described below:

LOTS 1, 2, 3, 4, AND 5 AND THE EAST 30.91 FEET OF LOT 6, BLOCK 2, ALLEN'S ADDITION, AN OFFICIAL PLAT; BLOCK 28, CAMPBELL & MCMULLEN'S ADDITION, AN OFFICAL PLAT; BLOCK 28, KEENE & POINDEXTER'S ADDITION, AN OFFICAL PLAT AND INTERIOR VACATED ALLEY, ALL NOW INCLUDED IN AND FORMING A PART OF THE CITY OF DES MOINES, POLK COUNTY, IOWA.

AND

THE EAST 2 FEET OF VACATED 13<sup>TH</sup> STREET BETWEEN LOCUST AND WALNUT STREETS: THE WEST 2.0 FEET OF THE EAST 32.91 FEET OF LOT 6, BLOCK 2, ALLEN'S ADDITION, AN OFFICAL PLAT; ALL THE EAST/WEST ALLEY RIGHT-OF-WAY LYING SOUTH OF AND ADJOINING THE WEST 2.0 FEET OF THE EAST 32.91 FEET OF SAID LOT 6; AND THE EAST 2.0 FEET OF THAT PART OF VACATED 13TH STREET RIGHT-OF-WAY LYING WEST OF AND ADJOINING LOT 4, BLOCK 28, KEENE AND POINDEXTER'S ADDITION, AN OFFICAL PLAT, ALL NOW INCLUDED IN AND FORMING A PART OF THE CITY OF DES MOINES, POLK COUNTY, IOWA.

2. The City Council of the City of Des Moines, Iowa, proposes to lease a portion of city-owned property described above to the Lessee and for the consideration identified below:

Grantee: Panom & Sons LLC d/b/a Blu Thai Food and Sushi  
 Consideration: \$2,400/month, plus real estate taxes and utilities.

CITY hereby leases to LESSEE, Suite 309 (“Leased Premises”) in the following described premises situated in the City of Des Moines, Polk County, Iowa, to wit:

LOTS 1, 2, 3, 4, AND 5 AND THE EAST 30.91 FEET OF LOT 6, BLOCK 2, ALLEN'S ADDITION, AN OFFICIAL PLAT; BLOCK 28, CAMPBELL & MCMULLEN'S ADDITION, AN OFFICAL PLAT; BLOCK 28, KEENE & POINDEXTER'S ADDITION, AN OFFICAL



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

AND

THE EAST 2 FEET OF VACATED 13<sup>TH</sup> STREET BETWEEN LOCUST AND WALNUT STREETS: THE WEST 2.0 FEET OF THE EAST 32.91 FEET OF LOT 6, BLOCK 2, ALLEN'S ADDITION, AN OFFICAL PLAT; ALL THE EAST/WEST ALLEY RIGHT-OF-WAY LYING SOUTH OF AND ADJOINING THE WEST 2.0 FEET OF THE EAST 32.91 FEET OF SAID LOT 6; AND THE EAST 2.0 FEET OF THAT PART OF VACATED 13TH STREET RIGHT-OF-WAY LYING WEST OF AND ADJOINING LOT 4, BLOCK 28, KEENE AND POINDEXTER'S ADDITION, AN OFFICAL PLAT, ALL NOW INCLUDED IN AND FORMING A PART OF THE CITY OF DES MOINES, POLK COUNTY, IOWA.

locally known as 309 13<sup>th</sup> Street, Des Moines, Iowa. The Leased Premises shall only comprise of approximately 2,125 rentable square feet of floor space of Suite 309 and does not include any other portion of 1200 Locust Street, Des Moines, Iowa.

3. That the meeting of the City Council at which the approval of such lease of the City-owned property is to be considered shall be on October 7, 2024, said meeting to be held at 5:00 p.m., in the City Council Chamber, City Hall, 400 Robert D. Ray Drive, Des Moines, Iowa.

In addition, the City Council shall receive written views, comments, objections and arguments from any resident or taxpayer of the City that are received by the City Clerk prior to 5:00 p.m. October 3, 2024 (City Clerk's Office, Des Moines City Hall, 400 Robert D. Ray Drive, 1st Floor, Des Moines, IA 50309; Email [cityclerk@dmgov.org](mailto:cityclerk@dmgov.org)).

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 §362.3 of the Iowa Code.

5. Non-project related land sale proceeds are used to support general operating budget expenses: Org – EG064090.

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Moved by Gatto to adopt. Second by Voss.

APPROVED AS TO FORM:

/s/ Mackenzie L. Moreno  
Mackenzie L. Moreno, Assistant City Attorney

COUNCIL ACTION	YEAS	NAYS	PASS	ABSENT
BOESEN	✓			
SIMONSON	✓			
VOSS	✓			
COLEMAN	✓			
WESTERGAARD	✓			
MANDELBAUM	✓			
GATTO	✓			
TOTAL	7			

MOTION CARRIED APPROVED  
Connie Bross Mayor

CERTIFICATE

I, Laura Baumgartner, 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.

Laura Baumgartner  
Laura Baumgartner, City Clerk