

CITY COUNCIL COMMUNICATION 97-432  
AUGUST 18, 1997 AGENDA

SUBJECT:	TYPE:	SUBMITTED BY:
SETTING DATE OF HEARING TO AUTHORIZE LEASE AGREEMENT WITH PRINCIPAL LIFE INSURANCE FOR SPACE AT 700 EAST 4TH STREET FOR CITY HEALTH CLINIC	◆ RESOLUTION ORDINANCE RECEIVE/FILE	ANDREW HENNESSY PROPERTY MANAGER

**SYNOPSIS —**

The City of Des Moines has been in the process of contracting services for an Employee Health Clinic. Negotiations have resulted in a signed initial proposal to lease space at 700 East 4th Street from Principal Life Insurance pending final written lease terms.

**FISCAL IMPACT —**

\$88,160.40 – The rent will be paid out of index code #015412 Civil Service/Personnel Employee Health. At the end of the fiscal year, all expenses incurred in index code #015412 are reimbursed from the Trust and Agency Account, 100875, Other Employee Benefits.

**RECOMMENDATION —**

Approval of resolution setting date of hearing.

**BACKGROUND —**

The City of Des Moines has been in the process of contracting service. A Committee comprised of representatives from Police, Fire, Public Works, and Safety and Training identified several cost saving measures, the first of which was that the City lease space for housing the employee health clinic rather than reimbursing the provider for the space. The Committee further identified several possible lease sites, including 610 Des Moines Street. The Committee indicated that—because of costs associated with the current provider, scheduling concerns for construction of improvements, and the costs associated—it was necessary to enter into an agreement as expeditiously as possible, so the new site could be operational no later than October 1, 1997. Therefore, a tentative, oral understanding was reached conditioned upon the completion of a written agreement which would satisfy all the parties; and the required notices were brought to the City Council prior to the completion of final terms of the agreement, as time was of the essence. Unfortunately, a lease agreement could not be reached with the owners at 610 Des Moines Street without compromising the City's position. Therefore, a new and closer location was identified, and a written proposal of agreement has been reached pending finalization of a written lease agreement. As time remains of the essence, it is necessary to authorize the setting of hearing for consideration of the lease at the new location at 700 East 4th Street.