



Agenda Item:

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COUNCIL COMMUNICATION City Manager's Office

GENERAL INFORMATION

Agenda Date: 06/21/04
No.: 04-310
Agenda Item Type: Resolution
No.:

Communication

Roll Call

Submitted by: Donald M. Tripp, Park and Recreation Director

SUBJECT—

Greenhouse Space Lease

SYNOPSIS—

As construction of the proposed greenhouses will not be completed until late December 2004, the Parks and Recreation Department proposes to lease 9,000 square feet of greenhouse space at 1444 Washington, Des Moines in order to grow the fall and winter floral crops, save stock plants and store the tropical plants used in outdoor floral plantings in the Downtown.

FISCAL IMPACT—

\$15,000 rental cost. The lease rate for this property has been determined to be consistent with fair market value for this use. Funds will be provided from other reductions in the adopted operating budget GE001 PKS070400.

RECOMMENDATION—

Approval

BACKGROUND—

As a part of the Agreement between the City of Des Moines and the Des Moines Water Works, the City agreed to vacate the greenhouses at the Des Moines Botanical Center effective July 1,

2004. As construction of the proposed greenhouses will not be completed until late 2004, the Parks and Recreation Department proposes to lease 9,000 square feet of greenhouse space in order to grow the fall and winter floral crops, save stock plants currently housed in the Botanical Center greenhouses and store the tropical plants that are currently used in outdoor floral displays in Downtown.

More specifically, the City has committed to: supplying the plant material for the Fleur Drive planters this fall (1,059 ornamental cabbage in ½ gallon containers, 474 chrysanthemums in 2 gallon containers, 600 flats of Viola varieties with 18 plants per flat); grow plants for use in public plantings this fall (2,000 chrysanthemums, 2,000 ornamental cabbage/kale and 200 flats of pansies with 48 plants per flat); and, grow 1,200 poinsettias for decoration of City buildings and offices during the Holiday season.

Because of the newly constructed beds, the City will be providing almost exactly double the number of plants for Fleur Drive as it did last year when the plant material was purchased from Renes Greenhouses at a cost of \$5,856.50. Using prices obtained by Park and Recreation staff from Don Harvey of the Harvey Floral Company, the cost of purchasing the above listed plants for Fleur Drive would be \$12,203.50. The cost of purchasing the other fall flowers for other uses within the City would be an additional \$17,200. The cost of purchasing finished poinsettias in 6 1/2” pots would be \$6,000, making the total expenditure \$35,403.50.

Using the plant production cost formula developed by City staff, the cost of producing these plants in the rented greenhouses is \$25,333, making the net savings to the City of growing versus the purchase of finished plants of 10,070.40. The below table prepared by the Finance Department provides a more detailed cost comparison.

In addition, the greenhouses will enable the City to save the tropical plants used in seasonal displays. For example, this past spring 100 Hibiscus trees were purchased at a cost of \$2,160.00 for use on the East Locust streetscape. These trees will be removed in the fall, housed in the greenhouses over the winter and put back in the streetscape in the spring of 2005 where they will be more effective than they were in 2004 because of their increased size.

	Annual	Cost	Total		
Variety	# Produced	Per Unit	Cost		
Chrysanthemums	2,000	1.83	3,660.00		
Chrysanthemums	474	2.08	985.92		
Pansy, Viola	20,400	0.17	3,468.00		
Poinsettia	1,200	2.26	2,712.00		
Ornamental Cabbage	3,059	1.31	4,007.29		
	25,133		14,833.21		
City Cost to produce plants		\$ 14,833			
Rental --70% of Space Allocated		\$ 10,500	Assume total rent is \$15,000		
		\$ 25,333			

Storage Space Costs		\$ 4,500			
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