

## COUNCIL COMMUNICATION

	Number:	<b>21-230</b>	Meeting:	<b>May 24, 2021</b>
	Agenda Item:	<b>47</b>	Roll Call:	<b>21-0811</b>
	Submitted by:	<b>Erin Olson-Douglas, Development Services Department Director and Steven L. Naber, P.E., City Engineer</b>		

### AGENDA HEADING:

Hearing approving form and authorizing execution of an amendment to lease agreement with U.S.S. HUSMANN, L.L.C. for the rental of warehouse space at 301 SE 8th Street for temporary use by the Public Works Department.

### SYNOPSIS:

Recommend approval of an amendment to the Lease Agreement dated December 21, 2020, entered into by the City of Des Moines and U.S.S. HUSMANN, L.L.C. for the rental of warehouse space located at 301 SE 8th Street, for temporary use by the Public Works Department for equipment storage until the Municipal Services Center - Phase 2 project is completed. The Lease Amendment will redefine the improvements the Landlord is obligated to complete and redefine the obligation of both parties to contribute toward the cost of such improvements.

This action authorizes the City Manager, or his designee, to administer the terms of the Amendment to Lease Agreement and to sign any minor and non-substantial amendments to the Amendment to Lease Agreement, including the approval of any additional costs with respect to the improvements required for occupancy by the City in an amount not to exceed \$10,000.

This action is required by Iowa law prior to making a final determination of the proposed lease amendment by resolution.

### FISCAL IMPACT:

Amount: \$45,909 total estimated cost to the City for tenant improvements

Funding Source: 2020-2021 Operating Budget: Page 36, Economic Development Enterprise Account, S743, \$22,955; and Page 90, General Fund – Non-Departmental, ND405643, \$22,954.

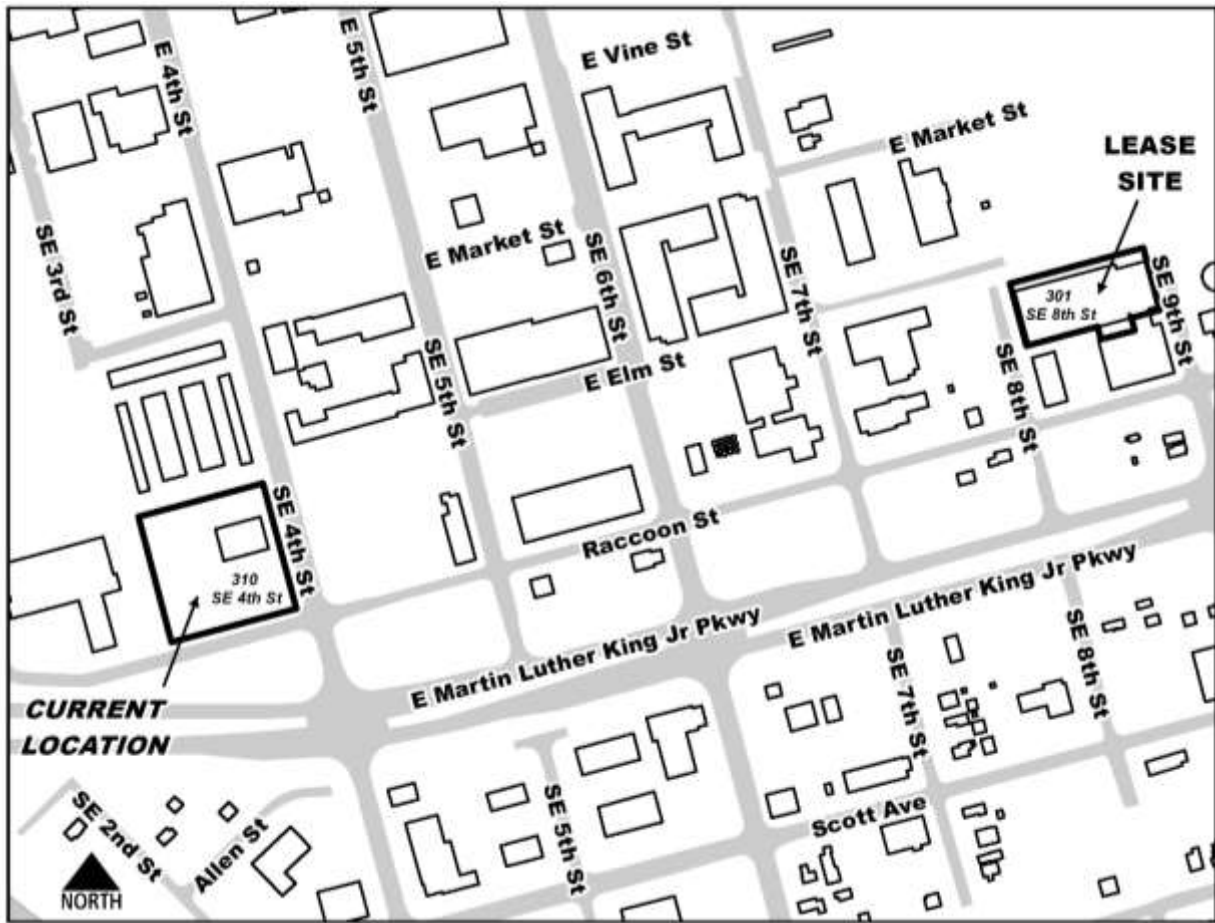
### ADDITIONAL INFORMATION:

- The City's vector truck equipment facility is currently located at 310 SE 4th Street.
- The initial phase of the redevelopment of an 11-block, 39-acre area generally located around SE 4th Street and E. Market Street is anticipated to begin in 2021. The initial phase of redevelopment includes the block where the City's vector truck equipment facility is located.

- The Urban Renewal Development Agreement with The District Developers, LLC requires acquisition of approximately the southern half of the City-owned parcel at 310 SE 4th Street on or by August 31, 2021, for the purposes of constructing mixed-use redevelopment. The developer is required to fully reimburse the City’s cost of the lease if they do not close on the property by August 31, 2021. The redevelopment of property at 310 SE 4th Street is intended to be the first phase of construction within The District Developer, LLC’s larger efforts in the Market District.
- The Municipal Service Center – Phase 2 project, which will be the future permanent location of the City’s vactor truck equipment facility, is anticipated to be complete in the spring 2022.
- The City of Des Moines and U.S.S. HUSMANN, L.L.C. entered into a Lease Agreement dated December 21, 2020 for the rental of warehouse space located at 301 SE 8th Street for temporary use by the Public Works Department for equipment storage until the Municipal Services Center – Phase 2 project is complete.
- An amendment to the lease agreement is needed to include additional tenant improvements that are required by the City, which were not included in the original terms of the lease agreement.
- The following list of tenant improvements shall be completed within the Leased Premises as soon as possible, with the Landlord being responsible for \$39,825 of the total cost and the City being responsible for the remaining cost of \$45,909:

Electrical	\$10,700
HVAC	3,500
Dividing Wall	11,176
Blueprints	5,000
Sprinkler	305
Permits & Dumpster	3,000
CO2 Exhaust System	29,044
Scissors Lifts	3,000
Exterior Steps	3,325
Fire Extinguishers (13)	650
Insulate Garage Door	240
Build Interior Steps	1,500
Tear Down Lean To	6,500
Subtotal	77,940
10% Supervisory Fee	7,794
TOTAL	\$85,734

- Upon termination of the Lease or any extension thereof, the City may remove its furniture, furnishings, fixtures, equipment and other property, including but not limited to the CO2 exhaust system, located upon and installed in the subject premises at City’s expense, except as otherwise provided.



**PREVIOUS COUNCIL ACTION(S):**

Date: May 10, 2021

Roll Call Number: [21-0695](#)

Action: [On](#) the proposition to authorize an amendment to lease agreement with U.S.S. Husmann, LLC for the rental of warehouse space at 301 SE 8th Street for temporary use by the Public Works Department, (5-24-21). Moved by Gatto to adopt. Motion Carried 7-0.

**BOARD/COMMISSION ACTION(S): NONE**

**ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE**

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