


COUNCIL COMMUNICATION

	Number: 22-164	Meeting: April 18, 2022
	Agenda Item: 55	Roll Call: [_____]
	Submitted by: Steven L. Naber, P.E., City Engineer	

AGENDA HEADING:

Hold hearing for approval of the operational agreement with Childtime Childcare, Inc. for the operation and maintenance of the childcare facility located in the Intermodal Transportation Facility located at 610 Center Street.

SYNOPSIS:

Recommend approval of the operational agreement with Childtime Childcare, Inc. (David Baratta, SVP of Real Estate, Facilities and Market Development Strategy, 21333 Haggerty Road, Suite 300, Novi, Michigan, 48375), to continue to serve as operator of the childcare center in the Intermodal Transportation Facility at 6th Avenue and Center Street, which is in the vital and best interests of the City and in accord with federal requirements associated with the Intermodal Transportation Facility, for a 3-year term commencing on July 1, 2022 and ending June 30, 2025, plus a 3-year extension option, with a first-year rent of \$3,367 per month plus the deferred monthly rent amount of \$300.52 and annual rent increases of 3%.

FISCAL IMPACT:

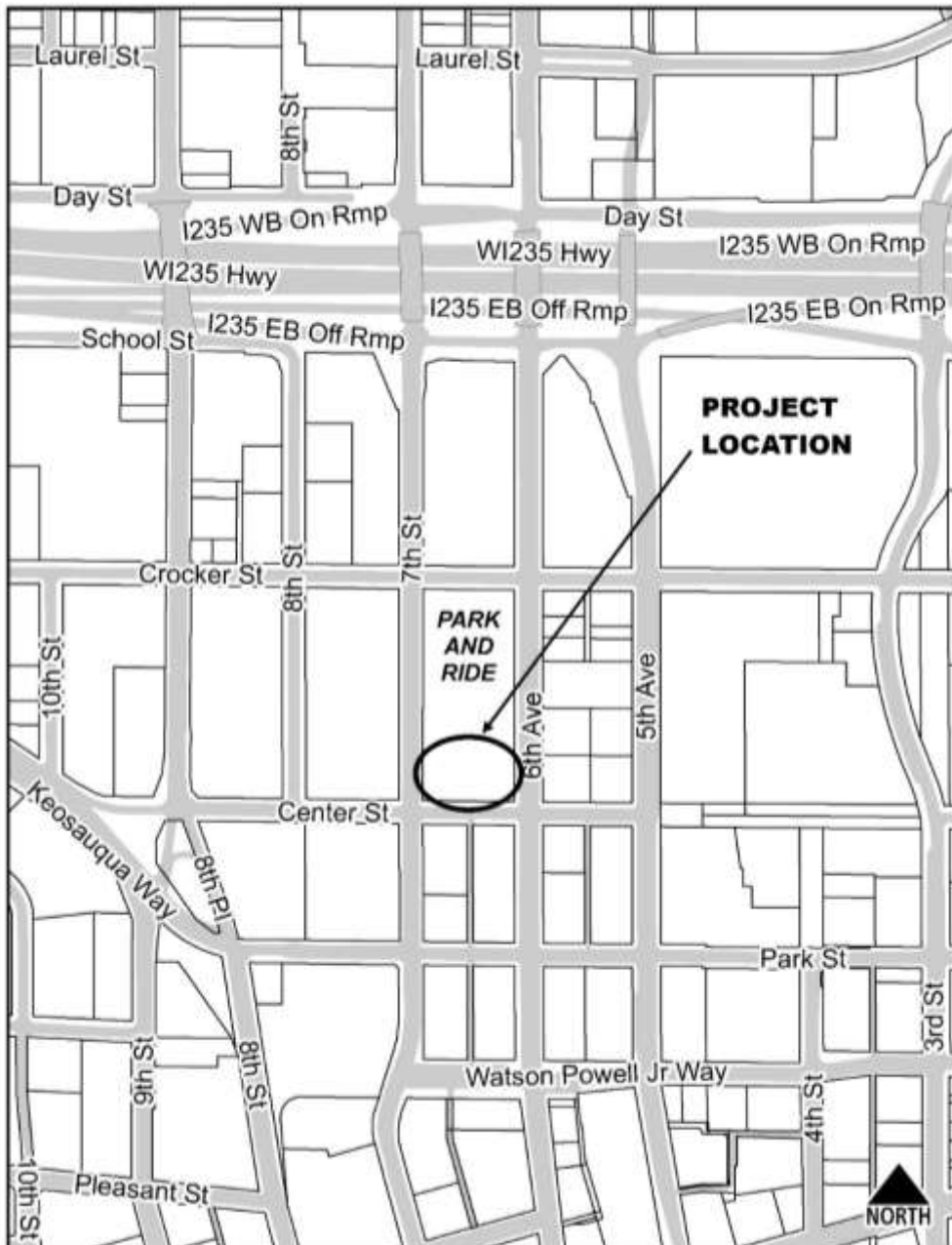
Amount: \$44,010.24 (Revenue for first year)

Funding Source: 2022-23 Operating Budget, Page 58, Engineering Department, T&T– Park and Ride Operations Fund, EG062086

ADDITIONAL INFORMATION:

- On April 28, 1997, by Roll Call No. 97-1549, the City Council entered into a 28E Agreement with the Des Moines Metropolitan Transit Authority (now Des Moines Area Regional Transit Authority) for construction and operation of a Park & Ride Facility. This facility included designs for a childcare facility to serve the needs of those families working in the downtown area.
- Childtime Childcare, Inc. was selected as the childcare provider for this facility. On December 21, 1998, by Roll Call No. 98-3949, the City Council approved a 4-year operational agreement with an additional 2-year extension option with Childtime Childcare, Inc.
- The Operational Agreement has been extended several times and the current Operational Agreement was approved on January 25, 2016, by Roll Call No. 16-0130, having an original term of three (3) years plus a 3-year extension option.

- On March 18, 2019, Childtime exercised its option to extend the Operational Agreement for an additional 3-year period, commencing on July 1, 2019, and ending on June 30, 2022.
- Due to the Covid-19 virus pandemic, Learning Care Group (LCG), parent company of Childtime, experienced a 70% drop in daily attendance resulting in negative cash flows and a financial hardship, requiring LCG to request an amendment to the Operational Agreement with Childtime allowing them to defer a portion of the monthly rent payments and pay back the deferred rent over a 48-month period ending on June 30, 2025, which the amendment was approved by City Council on May 18, 2020, by Roll Call No. 20-0866.
- City staff and Childtime Childcare, Inc. have negotiated a new Operational Agreement that includes, among other terms, a 3-year initial term and a 3-year extension option, with an initial first year monthly rent of \$3,367 plus the deferred monthly rent amount of \$300.52, and 3% annual increases in base rent.



PREVIOUS COUNCIL ACTION(S):

Date: May 18, 2020

Roll Call Number: [20-0866](#)

Action: [On](#) approval of an amendment to the Operational Agreement with Childtime Childcare, Inc. for the operation and maintenance of the childcare facility located in the Park & Ride Facility at 610 Center Street. ([Council Communication No. 20-214](#)) Moved by Mandelbaum to adopt. Motion Carried 7-0.

BOARD/COMMISSION ACTION(S): NONE

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE

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