


COUNCIL COMMUNICATION

 <p>CITY OF DES MOINES OFFICE OF THE CITY MANAGER</p>	Number: 22-441	Meeting: October 3, 2022
	Agenda Item: 67	Roll Call: 22-1577
	Submitted by: Benjamin R. Page, Park and Recreation Director	

AGENDA HEADING:

Hold hearing on Fifth Amendment to Lease Agreement with DBH Iowa, LLC for lease of Principal Park.

SYNOPSIS:

Holding the hearing to amend the current lease with DBH Iowa, LLC (Lessee) to extend the lease until December 31, 2032, with Lessee having an option to renew for two (2) additional five (5) year periods, to address pending public improvements occurring on the leased premises and a contribution to said improvements by Lessee.

FISCAL IMPACT: NONE

Amount: Up to a \$1,250,000 contribution.

Funding Source: Contribution directed to 2022-23 Capital Improvement Program (CIP), Page 70, Principal Park, PK132.

ADDITIONAL INFORMATION:

- The City and Greater Des Moines Baseball Co. entered into a Lease Agreement on August 26, 1991, an Addendum to Lease Agreement as of September 13, 1999, an Amendment dated August 23, 2004, a Second Amendment dated October 9, 2006, a Third Amendment dated April 7, 2008, and a Fourth Amendment dated March 6, 2017, under which Lessee was granted a lease of the premises described in the Lease, and commonly referred to as Principal Park, f/k/a Sec Taylor Stadium, the team clubhouse building and surrounding parking lots and grounds, for a period commencing at 12:01 A.M. on March 1, 1992, and, subject to the option periods which may be exercised by Lessee, shall end at 12:01 A.M. on December 31, 2027, subject to applicable provisions of the Municipal Code of the City of Des Moines, Iowa, and terms and conditions of the Lease.
- A consent to assignment of Lease Agreement by Greater Des Moines Baseball Co. to DBH Iowa, LLC was approved on December 20, 2021, by Roll Call No. 21-1935.

- This fifth amendment to the Lease Agreement extends the agreement for five (5) additional years until December 31, 2032, with Lessee having an option to renew for two (2) additional five (5) year periods.
- Additionally, the amendment establishes that Lessee agrees to provide an up to \$1,250,000 contribution towards the completion of the Principal Park Phase 1 Improvements. These improvements will move Principal Park toward required compliance with Major League Baseball's new Minor League Baseball facility standards and will address other deficiencies and aging components of the facility.
- Lessee's funding shall be provided to City in installments as follows:
 - 1st Installment: \$250,000 paid to City on or before the October 3, 2022 date of hearing of the City Council in consideration of the Fifth Amendment to Lease Agreement.
 - 2nd Installment: \$250,000 paid to City by March 1, 2023.
 - 3rd Installment: \$250,000 paid to City by September 1, 2023.
 - 4th Installment: \$250,000 paid to City by March 1, 2024.
 - 5th Installment: \$250,000 paid to City by September 1, 2024, solely for payment toward the Change Order described below. This installment is dependent upon the City incorporating an intended Change Order into the Project no later than March 31, 2023, and the outfield wall being temporarily or permanently installed and functional by March 31, 2024.
- Lessee's contribution shall be used in the following manner:
 - 1st through 4th Installments shall be used toward the difference/overage between the City funded project budget of \$7,045,000 and the base bid amount, which generally includes improvements to the current clubhouse building, replacement of aging mechanical, electrical and plumbing systems, and improved flood resiliency.
 - The 5th Installment of Lessee's contribution will be used solely toward the amount of the potential Change Order that would go toward a lower cost option for completing the outfield wall enclosure. If a lower cost option for the outfield wall enclosure is identified, then the additional work will be added through a change order, subject to City Council approval.



PREVIOUS COUNCIL ACTION(S):

Date: September 12, 2022

Roll Call Number: [22-1420](#)

Action: [On](#) Fifth Amendment to Lease Agreement with DBH Iowa, LLC for lease of Principal Park, (10-3-22). ([Council Communication No. 22-398](#)) Moved by Gatto to adopt. Second by Boesen. Motion Carried 7-0.

BOARD/COMMISSION ACTION(S):

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:

Anticipated related future actions include hearing for approval of Fifth Amendment to Lease Agreement with DBH Iowa, LLC for lease of Principal Park.

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