



Roll Call Number

20-0866

Agenda Item Number

52

Date May 18, 2020

HOLD HEARING FOR APPROVAL OF AN AMENDMENT TO 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

WHEREAS, 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 at 6th Avenue and Center Street, which facility included a childcare facility to serve the needs of those families working in the downtown area; and

WHEREAS, On December 21, 1998, by Roll Call No. 98-3949, the City Council approved an Intermodal Transportation Facility Child Care Center Operational Agreement (“Operational Agreement”) with Childtime Childcare, Inc. (Childtime) for operation of the childcare facility located within the Park & Ride Facility at 601 Center Street, said Operational Agreement having a four-year initial term, with an additional two-year renewable option by the City extending the agreement until March 31, 2004; and

WHEREAS, 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 3 years plus a 3 year extension option; and

WHEREAS, 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; and

WHEREAS, preschool and daycare providers across the country have been particularly affected by the ongoing Covid-19 virus pandemic, with Learning Care Group, parent company of Childtime Childcare, Inc., experiencing a 70% drop in daily attendance resulting in negative cash flows and a financial hardship; and

WHEREAS, Learning Care Group does not have the financial capacity to pay the full rent amount due each month over the next several months and is requesting to amend the Operational Agreement with Childtime Childcare, Inc. (Childtime) to defer a portion of the monthly rent payments as follows: Childtime will pay fifty percent (50%) of the monthly rent due pursuant to the terms of the Operational Agreement, for the period commencing April 1, 2020 and continuing through December 31, 2020. The monthly rent will be reduced from \$3,203.43 to \$1,601.72 for the period from April 1, 2020 through June 30, 2020 and will change according to the increase or decrease in the Consumer Price Index for the previous 12 months for the period from July 1, 2020 through December 31, 2020, with the difference between the full rent rates and the reduced rates to be paid over 48 months from July 1, 2021 through June 30, 2025.

Date May 18, 2020

WHEREAS, in order to maintain the long standing partnership with Childtime for operation of the above daycare facility, City staff recommend approval of the above proposal to amend the current Operational Agreement; and

WHEREAS, on May 4, 2020, by Roll Call No. 20-0755, it was duly resolved by the City Council of the City of Des Moines, Iowa, that the proposed amendment of Operational Agreement be set for hearing on May 18, 2020, at 5:00 p.m., in the in the MSC Board Room, Richard A. Clark Municipal Service Center, 1551 E. Martin Luther King Jr. Parkway, Des Moines, Iowa; and

WHEREAS, due notice of said proposal was given to all necessary parties as provided by law, setting forth the time and place for hearing on said proposal; and

WHEREAS, in accordance with City Council direction, those interested in the proposed amendment, both for and against, have been given an opportunity to be heard with respect thereto and have presented their views to the City Council.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Des Moines, Iowa:

1. Upon due consideration of the facts and statements of interested persons, any and all objections to the above described proposed amendment of the Intermodal Transportation Facility Child Care Center Operational Agreement with Childtime Childcare, Inc. for operation of the childcare facility located within the Park & Ride Facility at 610 Center Street are hereby overruled and the hearing is closed.
2. That the Intermodal Transportation Facility Child Care Center Operational Agreement with Childtime Childcare, Inc. for operation of the childcare facility located within the Park & Ride Facility at 610 Center Street is be amended as follows: Childtime will pay fifty percent (50%) of the monthly rent due pursuant to the terms of the Operational Agreement, for the period commencing April 1, 2020 and continuing through December 31, 2020. The monthly rent will be reduced from \$3,203.43 to \$1,601.72 for the period from April 1, 2020 through June 30, 2020 and will change according to the increase or decrease in the Consumer Price Index for the previous 12 months for the period from July 1, 2020 through December 31, 2020, with the difference between the full rent rates and the reduced rates to be paid over 48 months from July 1, 2021 through June 30, 2025.
3. The Mayor is authorized and directed to sign the First Amendment to Intermodal Transportation Facility Child Care Center Operational Agreement as identified above, and the City Clerk is authorized and directed to attest to the Mayor's signature.
4. The Real Estate Division Manager of the Engineering Department is hereby authorized, directed, and designated to act on behalf of the City to administer and enforce the terms of the Agreement as amended, and is further authorized and directed to approve and execute any non-substantive

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Date May 18, 2020

amendments to the Agreement following approval as to form by the City Legal Department, and is further directed to return any substantive amendments to this Council for approval.

Moved by Mandelbaum to adopt.

(Council Communication No. 20 - 214)

APPROVED AS TO FORM:

Ann DiDonato
Ann DiDonato, Assistant City Attorney

PSV

COUNCIL ACTION	YEAS	NAYS	PASS	ABSENT
COWNIE	✓			
BOESEN	✓			
GATTO	✓			
GRAY	✓			
MANDELBAUM	✓			
VOSS	✓			
WESTERGAARD	✓			
TOTAL	7			
MOTION CARRIED	APPROVED			
<u>J. M. Franklin Cowan</u> Mayor				

CERTIFICATE

I, P. KAY CMELIK, City Clerk of said City hereby certify that at a meeting of the City Council of said City of Des Moines, held on the above date, among other proceedings the above was adopted.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my seal the day and year first above written.

P. Kay Cmelik City Clerk