CITY OF WEST DES MOINES
CITY COUNCIL MEETING COMMUNICATION

ITEM: Motion – Approval of Lease Agreement
Temporary Office Space for Special Census
4900 University Avenue, Suite 120

DATE: April 6, 2015

FINANCIAL IMPACT: The City will opt into a temporary lease agreement for 6-months with the option to renew the lease for one month, if needed, to complete the Special Census. The lease is in the amount of $6,000 per month gross, which will include the rental rate, property operating fees, utilities, access to a training facility, and janitorial services three times per week. Additionally, property owners have agreed to charge the City for the requested space amount (4,000 square feet) rather than the actual space size of 6,000 square feet. The Census Bureau is requesting 6 phone lines with analog phones; the City will pay for the installation and service of these phone lines.

Office Space is a budgeted expense within the $1.15 million dollar estimate provided by the Census Bureau to conduct the Special Census.

BACKGROUND: As a part of the Special Census, the City of West Des Moines is required to provide temporary office space to house supplies and the temporary special census staff. The Census Bureau provided a list of requirements to use for evaluation purposes; these requirements were specific to the space size, location, configuration, security, access, leasing term, ADA Compliance and ease of use, parking, and other miscellaneous operating needs including janitorial services.

Staff utilized the Community and Economic Development tool Co-STAR to identify the location of vacant office and retail spaces in the City of West Des Moines. This report provided staff with more than 60 properties to review within the space requirements and an idea of the market from which to set the price parameters for cost per square foot and operating expenses.

Working in conjunction with property owners and various commercial real estate brokers, staff reviewed/visited more than 20 properties to determine their fit for this project and the willingness of the ownership to sign a short term lease.

Staff identified a secure and centrally located space that meets the minimum requirements of the Census Bureau. Additionally, the ownership of the space is willing to sign a short term lease with the option of a month-to-month lease allowing the City flexibility in completing the special census. The space offers economy with a gross cost and a reduced charge per square foot along with vast accessibility, ample parking, training space, and janitorial services.

The Local Census Supervisor toured the space and sent the configuration to the Regional Office for review and approval. The space was approved by the Regional Census Office on March 24, 2015.

OUTSTANDING ISSUES (if any): None

RECOMMENDATION:

Approve the lease agreement with Three Fountains I, LLC for the Temporary Office Space located at 4900 University Avenue, Suite 120 for use during the Special Census.

Lead Staff Member: McKinlee Ritter, Interim Assistant to the City Manager

STAFF REVIEWS

Department Director	Tom Hadden, City Manager
Appropriations/Finance	Tim Stiles, Finance Director
Legal	
Agenda Acceptance	RTJ

PUBLICATION(S) (if applicable)

Published In	
Dates(s) Published	

SUBCOMMITTEE REVIEW (if applicable)

Committee			
Date Reviewed			
Recommendation	Yes	No	

RESOLUTION APPROVING A LEASE AGREEMENT FOR TEMPORARY OFFICE SPACE FOR SPECIAL CENSUS, 4900 UNIVERSITY, SUITE 120

WHEREAS, the City of West Des Moines has deemed it necessary to conduct a Special Census in 2015;

WHEREAS, the City of West Des Moines has signed a Memorandum of Understanding with the Census Bureau to conduct a Special Census requiring 4,000 square feet of temporary office space for supplies and staffing throughout the duration of the special census; and

WHEREAS, the office space located at Three Fountains Office Park, 4900 University Avenue, Suite 120 meets the size, security, access, and other operating requirements.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF WEST DES MOINES, IOWA:

1. The Temporary Lease Agreement between the Three Fountains I, LLC and the City of West Des Moines is hereby approved.

2. The Mayor and City Clerk are authorized to sign the signature page to be attached to the Temporary Lease Agreement on behalf of the City of West Des Moines.

PASSED AND APPROVED this 6th day of April, 2015.

_____
Steven K. Gaer, Mayor

ATTEST:

_____
Ryan T. Jacobson
City Clerk

TEMPORARY LEASE AGREEMENT

This Temporary Lease Agreement ("Temporary Lease") is hereby entered into by and between **CITY OF WEST DES MOINES** and its authorized agents ("Tenant") and **THREE FOUNTAINS I, LLC**, an Iowa limited liability company with its principal office at 1225 Jordan Creek Parkway, Suite 200, West Des Moines, Iowa 50266 ("Landlord") for the lease of temporary space at 4900 University Avenue, Suite 120, West Des Moines, Iowa 50266. The parties mutually desire and agree that Tenant will lease from the Landlord 4,000 net rentable square feet in the Palisade Building ("Building") located in the Three Fountains Office Park as shown on Exhibit A attached hereto ("Premises").

The term of this Temporary Lease shall run month to month from and including May 1, 2015, through October 31, 2015. This Temporary Lease is terminable by either party on fourteen (14) days' prior written notice.

Tenant agrees to lease the Premises at a rental rate of $6,000.00 per month gross, which amount is due upon execution by the Tenant of this Temporary Lease, and on the first of each month of the term of the Temporary Lease thereafter, without further notice or demand. Said rent shall be delivered to Landlord at the above-stated address.

Landlord is providing the Premises "as-is", without any modifications or improvements whatsoever.

In addition, Tenant agrees to be bound by the terms and conditions of Exhibit B, which is attached hereto and by this reference incorporated herein. This Temporary Lease may only be modified by the parties in writing. Tenant will use the Premises for general office use. Each named Tenant shall be jointly and severally liable with each other Tenant for all payment and performance obligations under this Temporary Lease.

In Witness Whereof, the parties below have agreed to all terms of this Temporary Lease effective as of this _____ day of _____, 2015.

EACH PARTY EXECUTING THIS DOCUMENT WARRANTS HE OR SHE HAS FULL POWER AND AUTHORITY TO BIND THE NAMED ENTITIES TO THE TERMS OF THIS DOCUMENT.

LANDLORD:
THREE FOUNTAINS I, LLC, an Iowa limited liability company

By: **RRNGL, LLC**, an Iowa limited liability company, Sole Member

By: **R&R REAL ESTATE INVESTORS II, LLC**, an Iowa limited liability company, Managing Member

By: _____
Mark A. Rupprecht, President

TENANT:
CITY OF WEST DES MOINES

By: _____
Name: _____
Its: _____

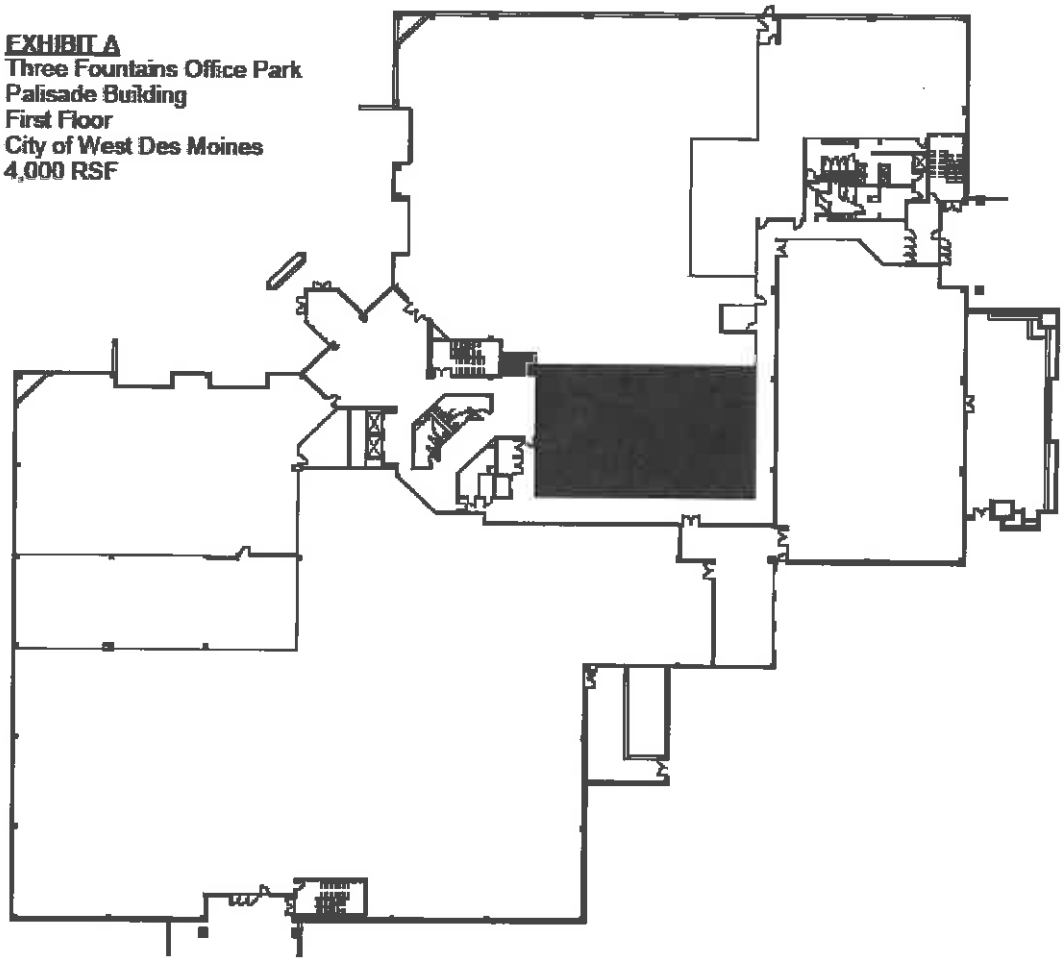
EXHIBIT A
Three Fountains Office Park
Palisade Building
First Floor
City of West Des Moines
4,000 RSF

EXHIBIT B

PURPOSE: Tenant covenants that the Premises will be used as a temporary site together with the incidental activities of the Tenant, its affiliated companies or other subsidiary companies. Tenant further covenants that the premises will not be used or occupied for any unlawful purpose.

HAZARDOUS WASTE: Tenant covenants and agrees that no Hazardous Substances will be stored on the Premise at any time. The term "Hazardous Substances" shall mean pollutants, contaminants, toxic or hazardous wastes, or any other substances, the use and/or the removal of which is required or the use of which is restricted, prohibited or penalized by any "Environmental Law", which term shall mean any federal, state or local law, ordinance or other statute of a governmental or quasi-governmental authority relating to pollution or protection of the environment.

INSURANCE: Tenant covenants and agrees that it will at all times during the term hereof carry and maintain for the mutual benefit of the Landlord and the Tenant general public liability insurance against claims for personal injury, death or damage to property, occurring in, on or about the Premises or property, or in, on or about the street, sidewalks or premises adjacent to the Premises.

INDEMNIFICATION: Tenant shall indemnify, hold harmless, and defend Landlord (except for Landlord's active negligence or willful misconduct) against all claims, losses or liabilities for injury or death to any person or for damage to or loss of use of any property arising out of any occurrence in, on or about the Building or land, if caused or contributed to by Tenant to Tenant's agents, or arising out of any occurrence in, upon or at the Premises or on account of the use, condition, occupational safety or occupancy of the Premises. It is the intent of the parties hereto that the indemnity contained in this paragraph shall not be limited or barred by reason of any passive negligence on the part of Landlord or Landlord's agents, except as expressly provided herein. Such indemnification shall include and apply to attorneys' fees, investigation costs, and other costs actually incurred by Landlord. The provisions of this paragraph shall survive termination of this agreement. This agreement is made on the express conditions that Landlord shall not be liable for, or suffer loss by reason of, injury to person or property, from whatever cause, in any way connected with the condition, use, occupational safety or occupancy of the Premises specifically including, without limitation, any liability for injury to the person or property of Tenant or Tenant's agents.

SUBROGATION: In the event of loss or damage to the Premises and/or Building, each party will look first to any insurance in its favor before making any claim against the other party. The Tenant will obtain for each policy in effect a provision permitting waiver of any claim against the Landlord for loss or damage within the scope of the insurance. In addition, each party, its agents, employees or guest to the extent permitted, for itself and its insurers waives all such insured claims against the other party.

CARE OF PREMISES: Tenant further covenants and agrees that during its occupancy it will keep said Premises and every part thereof in a clean and wholesome condition and generally that it will in all respects and at all times duly comply with all lawful health and police regulations.

ACCESS TO PREMISES: Landlord and its authorized agents shall have free access to said premises at any and all reasonable times to inspect the same and for the purposes pertaining to the rights of the Landlord.

RULES AND REGULATIONS: Tenant agrees to comply with all rules and regulations promulgated by Landlord concerning the use and enjoyment of the Premises. Among other things, the rules and regulations specifically prohibit outdoor storage.