CITY OF WEST DES MOINES
CITY COUNCIL MEETING COMMUNICATION

DATE: May 4, 2020

ITEM: Resolution – Termination of Agreement between the City of West Des Moines and the West Des Moines Business Incubator for the Lease of Property at 318 Fifth Street

SYNOPSIS: On June 29, 2015 the West Des Moines City Council approved an agreement for the lease of 318 Fifth Street to the West Des Moines Business Incubator. The City provided the building to the Incubator to enable the Incubator to establish programs that would promote entrepreneurial activity and small business growth and development in the City. The term of the lease, which is sixty months, expires June 30, 2021. However, pursuant to its terms, the City may terminate the lease prior to June, 2021 upon a 180 day notice to the Incubator.

With the expiration of the lease approaching, on April 24, 2020 two options were presented to the Public Safety Subcommittee regarding future use of the building. The first option would extend the lease with the Incubator, with required changes, to allow the operation of a small business center. The second option would convert the building to the Fire and EMS administration headquarters. This option would allow for a centralized location for fire and emergency management personnel, which have been combined into one department under the direction of the fire chief.

Significant factors in the recommendation of the Public Safety Subcommittee to choose the second option was the cost of approximately $500,000 to remodel this building instead of building a new facility at a significantly higher cost. This would allow the facility to function for at least ten years while creating additional space at Fire Station 21, which can be remodeled to provide sleeping quarters for the crews on duty. This option will also provide additional space at Station 19 for Westcom dispatch, delaying the need for new Westcom facilities for five to ten years.

The Public Safety Subcommittee also recognized both the need to begin conversion of the building to an administration facility and the need for an appropriate period to terminate Incubator activities. Representatives of the Incubator requested that they be given consideration due to the current situation regarding the Covid-19 pandemic. It was therefore the recommendation of the Subcommittee that the lease between the City and the Incubator be terminated, with notice to be given to the Incubator that the lease terminate 180 days from the date proclaimed by Governor Kim Reynolds allowing retail merchants in Polk County to fully open, or June 30, 2021, whichever occurs first.

RECOMMENDATION: Approve the Resolution terminating the Agreement between the City of West Des Moines and the West Des Moines Business Incubator for the Lease of Property at 318 Fifth Street.

Lead Staff Member: Tom Hadden, City Manager

STAFF REVIEWS

Department Director	Tom Hadden, City Manager
Appropriations/Finance	Tim Stiles, Finance Director
Legal	Richard J. Scieszinski, City Attorney RJS
Agenda Acceptance	Ryan T. Jacobson, City Clerk RTJ

PUBLICATION(S) (if applicable)

Published In	
Dates(s) Published	

SUBCOMMITTEE REVIEW (if applicable)

Committee	Public Safety		
Date Reviewed	April 24, 2020		
Recommendation	Yes		

RESOLUTION TERMINATING THE AGREEMENT BETWEEN THE CITY OF WEST DES MOINES AND THE WEST DES MOINES BUSINESS INCUBATOR FOR THE LEASE OF PROPERTY AT 318 FIFTH STREET

WHEREAS, in June, 2015 the City of West Des Moines approved the Agreement between the City of West Des Moines and the West Des Moines Business Incubator for the Lease of Property at 318 Fifth Street; and

WHEREAS, the Agreement is to terminate in June, 2021 unless terminated earlier upon 180 day notice from the City to the Incubator; and

WHEREAS, the City finds that termination of the Agreement on or before June, 2021 is necessary to fulfill outstanding public safety needs; and

WHEREAS, termination of the Agreement is in the best interest of the City of West Des Moines.

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

1. Pursuant to the terms of the Agreement Between the City of West Des Moines and the West Des Moines Business Incubator for the Lease of Property at 318 Fifth Street, notice shall be given to the Incubator that the Lease shall terminate 180 days from the date proclaimed by Governor Kim Reynolds allowing retail merchants to fully open in Polk County, or June 30, 2021, whichever occurs first.

PASSED AND ADOPTED this 4th day of May, 2020.

_____
Steven K. Gaer, Mayor

ATTEST:

_____
Ryan T. Jacobson, City Clerk