

 <p style="text-align: center;">Council Communication Office of the City Manager</p>	Date:	August 27, 2012
	Agenda Item No.	47
	Roll Call No.	<u>12-1383</u>
	Communication No.	<u>12-468</u>
	Submitted by:	Terrance N. Vorbrich, Acting Economic Development Administrator

AGENDA HEADING:

Approve Revised Conceptual Development Plan for Waterfront Lodging, Inc.

SYNOPSIS:

On February 6, 2012, by Roll Call No.12-0149, City Council approved the Final Conceptual Development Plan for the Waterfront Lodging, Inc. project (Developer: Hawkeye Hotels Inc., Ravi Patel, vice president, 1701 Mount Pleasant Street, Suite 1, Burlington, Iowa 52601). The \$32.4 million project proposes the construction of two hotels and a parking garage at 2nd Avenue and Water Street.

Following City Council approval of the plan on February 6th, the Developer initiated demolition of the dilapidated buildings and began site excavation work, while they continued the design development and plan review process with City staff. During demolition and excavation it became apparent that significant over-excavation would be necessary to build on the site, which presented several hundred thousand dollars in additional costs and resulted in a re-evaluation of the overall project design.

Waterfront Lodging, Inc. has presented a revised Final Conceptual Development Plan for the project that proposes a reduction in the height of the Residence Inn from 7 floors to 5 floors, extending the length of the building along Vine Street from 2nd Avenue to Water Street, where previously the parking garage partially fronted on Vine Street. The number of rooms in the Residence Inn has increased from 109 to 127. A revised color palette for the project has been presented, architectural thin brick has been replaced with full dimension brick, the grouping of materials has changed to provide greater visual interest, and additional masonry products have been introduced to provide contrast.

City staff, the Urban Design Review Board, and the adjacent neighbors have reviewed and approved the revised design and provided comments which are detailed below.

FISCAL IMPACT:

These design changes, outlined herein, have no fiscal impact on the City.

ADDITIONAL INFORMATION:

The revised design provides more opportunities for activating the street level, with the Residence Inn now providing coverage of the full block face on Vine Street, and its entrance becoming a focal point. The materials are of good quality, and a high level of urban density has been achieved on the site.

Adjacent neighbors were invited to a meeting with the developer and the design and construction team on August 20 to review the revised plan. Positive comments on the revised design were received. Residents requested that electric services proposed to move to the south side of Market Street to facilitate the hotel project be taken underground, rather than overhead. Staff is working with the developer, neighbors and the utility company to discuss alternatives and costs for this proposal.

A necessary step in providing a financial tool to assist with the electric service matter will be to employ a construction period tax abatement to the valuation generated by the Waterfront Lodging project, prior to its completion. Staff will bring forward an amendment to the Metro Center Urban Renewal Plan to establish the Waterfront Lodging site as a location for this tool to be utilized. Construction period tax abatement will be limited to the taxes that accrue on the improvements during construction and before the improvements are 80% completed.

The Urban Design Review Board voted to approve the plan at their meeting on August 21, seeing the revised design to be an improvement. The change to full dimension brick is welcomed. The Board provided comments on the exterior material for the garbage dumpster enclosure, and also on the preference for screening the garage and using fewer overall materials on the building elevations.

PREVIOUS COUNCIL ACTION(S):

Date: February 6, 2012

Roll Call Number: [12-0149](#)

Action: Approving Final Development Plan for Waterfront Lodging, Inc. project at 2nd Avenue and Water Street. ([Council Communication No. 12-044](#)). Moved by Hensley to adopt, subject to the Final Development Plan being amended to identify the second hotel to be a Marriott, Hilton of InterContinental bran hotel. Motion Carried 6-1. Nays: Meyer.

Date: January 27, 2012

Roll Call Number: [12-0145](#)

Action: Consideration of Final Development Plan submitted by Waterfront Lodging, Inc. for two new hotels and a parking garage in the 100 block of Water Street (Roll Call contains alternative motions). Moved by Hensley to refer the Final Development Plan to the City Manager for further investigation and report on the use of architectural thin brick and its durability and appropriate application and to authorize City Attorney to negotiate language satisfactory in form and content to him regarding reconveyance or a reversionary interest regarding the real estate which is subject to this development by February 6, 2012. Authorize Mayor to sign all necessary documents once approved to as form by City Attorney. Motion Carried 6-1. Nays: Meyer.

Date: January 23, 2012

Roll Call Number: [12-0121](#)

Action: Items regarding Waterfront Lodging Inc. development of the block bounded by Vine, SW Water Street, Market and SW 2nd Street:

(A) Recommendation from Plan and Zoning Commission.

(B) Hearing on vacation and conveyance of a small segment of remaining public alley right-of-way.

- (1) First consideration of vacation ordinance.
- (2) Final consideration of vacation ordinance, (waiver requested by the applicant), requires 6 votes.

(C) Hearing on vacation and conveyance of segments of SW Water Street and Market Street right-of-way, in exchange for comparable parcels along Vine Street and SW 2nd Street.

- (1) First consideration of vacation ordinance.
- (2) Final consideration of vacation ordinance, (waiver requested by the applicant), requires 6 votes.

(D) Approving final terms of a Development Agreement with Waterfront Lodging, Inc. and Conceptual Development Plan for two new hotels and a parking garage in the 100 Block of Water Street. ([Council Communication No. 12-038](#)). Moved by Hensley to adopt. Motion Carried 6-1. Nays: Meyer

Date: November 7, 2011

Roll Call Number: [11-1920](#)

Action: Preliminary Terms of Agreement with Waterfront Lodging, Inc. for construction of a 129 room hotel, a 245 space parking structure and a 120 room hotel, all to be located in the 100 block of 2nd and Water Streets. ([Council Communication No. 11-696](#)). Moved by

(A) Setting date of hearing on vacation and conveyance of a small segment of remaining public alley right-of-way located in the block bound by Vine, Water, Market and Southwest 2nd Streets to Waterfront Lodging, Inc., (11-21-11). Moved by Hensley to adopt. Motion Carried 6-1. Nays: Meyer.

BOARD/COMMISSION ACTION(S):

Board: Urban Design Review Board

Date: August 21, 2012

Resolution Number: N/A

Action: Recommended approval of the revised Conceptual Development Plan with recommendations to screen the parking garage on the west side with preference for also screening the south side, reduce the number of exterior materials, removing either the ledge stone or the cast stone and replacing with full dimension brick already proposed, and have garbage enclosure constructed of brick similar to that of the Hampton Inn, with screening doors to be constructed of a solid, opaque material such as metal.

Board: Urban Design Review Board

Date: August 7, 2012

Resolution Number: N/A

Action: Preliminary design, no formal action. Board members stated that the revised plan was going in the right direction. The redesign efforts are on a good path and the revisions give a better understanding of the proportions. Board members requested demonstration of the context to all adjacent buildings right next to the project on all sides be provided at the next meeting, cut sheets of all

light fixtures that are not city standard, detailed planting plan, examples of any hardscape material enhancements being used, detail of the cement board system, typical details of the wall sections.

Board: Urban Design Review Board

Date: January 25, 2012

Resolution Number: N/A

Action: A motion by Mormann to approve the project design provided that thin brick shall be replaced by full dimension brick on the two hotels but not on the parking garage. Seconded by Rypma. An amendment to the motion requested by Hearn to require full brick on only the first floor lower level. Amendment rejected by Mormann. A second amendment to the motion requested by Hearn to require traditional dimension brick on street view side of the facades of the two hotels (Vine, Water and Market Streets) with the interior courtyard to be thin brick. Amendment accepted by Mormann. Motion carried 5-3.

Board: Urban Design Review Board

Date: January 17, 2012

Resolution Number: N/A

Action: A motion by Garner to approve the level of financial assistance with the criteria that UDRB have a more thorough review of the design of the parking structure and the materials in the entire development if that allows the development team to proceed with financing. Seconded by Hearn. Amended by Wattier to approve the conceptual exterior design of the two hotels, not the garage building, and to bring the garage and the materials of all buildings back to the board. Subject to HOA review. Motion carried 5-1.

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:

City Council to review amendment to the Metro Center Urban Renewal Plan to establish a territory or class of property eligible to receive construction period tax abatement. Construction period tax abatement will be limited to the taxes that accrue on the improvements during construction and before the improvements are 80% completed.

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