

 <p style="text-align: center;">Council Communication Office of the City Manager</p>	Date:	September 10, 2012
	Agenda Item No.	20
	Roll Call No.	<u>12-1420</u>
	Communication No.	<u>12-497</u>
	Submitted by:	Richard A. Clark City Manager

AGENDA HEADING:

Receive and file Communication from City Manager regarding a proposed agreement with Waterfront Lodging, Inc. for the undergrounding of the overhead electric lines in Market Street between 2nd Avenue and Water Street and authorize the City Manager to negotiate final terms for consideration by the City Council.

SYNOPSIS:

City staff has worked with the Waterfront Lodging, Inc. project (Developer: Hawkeye Hotels, Inc. Ravi Patel, Vice President, 1701 Mount Pleasant Street, Suite 1, Burlington, Iowa 52601) and Mid American Energy Company to determine alternatives for the undergrounding of overhead electric power lines on Market Street. A conceptual plan to underground the electric power lines has been presented to the City and the Developer and will be reviewed with adjacent residents at Brown Camp Lofts and Tone Lofts.

Undergrounding the electric service lines on Market Street is an unanticipated cost to the Developer, and is being undertaken at the City’s request based on comments made by Council at a recent workshop. Staff proposes an agreement to allow a limited tax abatement during the construction period as a means to help the developer defray the cost of the undergrounding. The limited tax abatement will be generated from new valuation added by the project during the construction period, and will not exceed the amount necessary to facilitate the underground electric power service. It is anticipated that the value of the construction period tax abatement will be about \$52,000, although final costs are still being developed.

FISCAL IMPACT:

Amount: N/A

Funding Source: Construction period tax abatement for value added to 121 SW 2nd.

ADDITIONAL INFORMATION:

On August 27, 2012 by Roll Call No. 12-1383, City Council approved the Revised Conceptual Development Plan for the Waterfront Lodging, Inc. project to construct two hotels and a parking garage at 121 SW 2nd Avenue. Three existing overhead electric power poles on the north side of Market Street need to be moved to allow for footing and foundation work to be initiated on the project. An initial proposal had the power poles moved to the south side of Market Street and continued as overhead electric service. Adjacent residents at Brown Camp and Tone Lofts requested that City staff

perform an evaluation with the developer and Mid American Energy Company to determine if the overhead service could be placed underground. City staff performed the evaluation and have arrived at this solution that will be reviewed with the residents at Brown Camp Lofts and Tone Lofts.

PREVIOUS COUNCIL ACTION(S):

Date: August 27, 2012

Roll Call Number: [12-1383](#)

Action: [Approval](#) of revised final development plan for Waterfront Lodging, Inc., project at 2nd Avenue and Water Street. ([Council Communication No. 12-468](#)). Moved by Hensley to adopt; refer to the City Manager to work with the Developer and MidAmerican Energy on options for possibly burying the power lines in the area. Motion Carried 7-0.

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 brand 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. Moved by Hensley to receive and file and refer to the Engineering Department, Real Estate Division. Motion Carried 6-1. Nays: Meyer.

- (B) [Hearing](#) on vacation and conveyance of a small segment of remaining public alley right-of-way. Moved by Hensley to adopt, subject to approval of the Final development Plan by the City Council. Motion Carried 6-1. Nays: Meyer.
- (1) [First](#) consideration of vacation ordinance. Moved by Hensley that this ordinance be considered and given first vote for passage. Motion Carried 6-1. Nays: Meyer.
 - (2) [Final](#) consideration of vacation ordinance, (waiver requested by the applicant), requires 6 votes. Moved by Hensley that the rule requiring that an ordinance must be considered and voted on for passage at two Council meetings prior to the meeting at which it is to be finally passed be suspended, that the ordinance be placed upon its final passage and that the ordinance do now pass, [#15,076](#). Motion Carried 6-1. Nays: Meyer.
- (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. Moved by Hensley to adopt, subject to approval of the Final Development Play by the City Council. Motion Carried 6-1. Nays: Meyer.
- (1) [First](#) consideration of vacation ordinance. Moved by Hensley that this ordinance be considered and given first vote for passage. Motion Carried 6-1. Nays: Meyer.
 - (2) [Final](#) consideration of vacation ordinance, (waiver requested by the applicant), requires 6 votes. Moved by Hensley that the rule requiring that an ordinance must be considered and voted on for passage at two Council meetings prior to the meeting at which it is to be finally passed be suspended, that the ordinance be placed upon its final passage and that the ordinance do now pass, [#15,077](#). Motion Carried 6-1. Nays: Meyer.
- (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 Hensley to receive, file and approve the preliminary terms of agreement as set forth in Council Communication No. 11-696, and to direct the City Manager to proceed with negotiation of formal agreements with Waterfront Lodging, Inc., consistent with the terms set forth in Council Communication No. 11-696. Motion Carried 6-1. Nays: Meyer.

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 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:

Terms of agreement with Waterfront Lodging, Inc. will be presented to City Council at a future meeting.

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