

 <p style="text-align: center;">Council Communication Office of the City Manager</p>	Date: June 26, 2017
	Agenda Item No. 30 Roll Call No. <u>17-1060</u> Communication No. <u>17-505</u> Submitted by: Erin Olson-Douglas, Economic Development Director

AGENDA HEADING:

Resolution approving final terms of an Urban Renewal Development Agreement with Raccoon Valley Investments for a hotel development at the northeast corner of Fleur Drive and McKinley Avenue.

SYNOPSIS:

Raccoon Valley Investment Company, LC (Michael Coppola, Partner, 4521 Fleur Drive, Suite C, Des Moines, IA) proposes to develop a Courtyard by Marriott hotel on a 2.42-acre vacant parcel located in an existing shopping center near the northeast corner of Fleur Drive and McKinley Avenue. The parcel does not presently have an address, but is just north of the existing Fleur Cinema at 4545 Fleur Drive and east of US Bank at 4515 Fleur Drive.

The proposed 4-story, 93-room, approximately 57,000-square-foot hotel is described as a select-service property with guest rooms and suites that will serve business and leisure travelers. The hotel features a lobby with casual meeting and workspace; a business center; 24-hour guest access to exercise equipment; a bistro; a 24/7 market; and an outdoor fire pit and seating area. The project is estimated to cost \$13 million.

FISCAL IMPACT:

Amount: The proposed financial assistance package will consist of project-generated tax increment for 15 years or until the expiration of the Urban Renewal Plan in 2034, whichever occurs sooner.

Funding Source: Fleur Drive Commercial Urban Renewal Plan Tax Increment Financing (TIF)

ADDITIONAL INFORMATION:

- The subject property is within the Urban Renewal Plan for the Fleur Drive Commercial Urban Renewal Area, which was created in 2004 with the intent of both alleviating blight and encouraging economic development.
- The Plan was first amended in August of 2016 to extend the life of the Plan from 2027 to 2034 to allow time for the construction of the hotel, as well as a TIF rebate.
- Other projects that have been approved for the use of TIF within the Plan Area include:
 - Starbucks (2007)
 - Hy-Vee (2009)
 - Panera Bread Café (2016)

- The hotel is projected to start construction in September 2017, with the opening anticipated for 2018.

PREVIOUS COUNCIL ACTION(S):

Date: March 20, 2017

Roll Call Number: [17-0486](#)

Action: [Preliminary](#) terms of agreement with Raccoon Valley Investment Company, LC for a hotel development near the northeast corner of Fleur Drive and McKinley Avenue. ([Council Communication No. 17-292](#)) Moved by Hensley to receive, file and approve the preliminary terms of agreement as set forth in Council Communication No. 17-292, and to direct the Office of Economic Development to proceed with negotiation of a formal agreement with Raccoon Valley Investment Company, LC, consistent with the terms set forth in Council Communication No. 17-292. Motion Carried 7-0.

BOARD/COMMISSION ACTION(S):

Board: Urban Design Review Board

Date: June 13, 2017

Resolution Number: N/A

Action: Approval of the amendment to the final design.

Board: Urban Design Review Board

Date: April 25, 2017

Resolution Number: N/A

Action: Approval of the final design subject to the following conditions:

1. Use a full dimension brick, rather than a thin brick.
2. As was shown in previous plans, include the detention basin to the southwest of the hotel on the landscape plan and illustrate sustainable solutions/ landscaping for the detention area around the reconstructed drive.
3. Further define and soften the access drive with landscaping. Presently there is no landscaping along the drive.
4. Use landscaping to further define the pedestrian area along the access drive as it turns south, linking the hotel to the movie theater.
5. Provide additional trees/landscaping compliant with site plan standards in the following locations:
 - at the northern perimeter of the property to help shade the courtyard
 - in the green space next to the parking on the south side of the site

- east of the five (5) parking stalls in front of the hotel

Conditions #2-#5 have been satisfied. Condition #1 is included in the development agreement.

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:

- Approval of 2nd Amendment to the Urban Renewal Plan for the Fleur Drive Commercial Urban Renewal Area.

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