

Hampton Hotel

Waterfront Lodging Project

Financial Analysis

Project Benefits

- Proposed project is a better fit related to:
 - Urban design
 - Original proposal was prototype, standard suburban design that was not responsive to an urban environment.
 - It proposed non-differentiated architecture, proposed a higher use of EFIS, did not integrate with the existing neighborhood, and provided a vehicular scale rather than pedestrian scale design.
 - Riverfront
 - Revised proposal is a reflection of the developer understanding the expectations of high quality that are critical for the development of the Des Moines Riverfront.
 - Opportunities to connect hotel guests to Riverwalk as well as surrounding Riverfront area commercial businesses, neighborhoods and public amenities
 - Higher Density
 - Original proposal was very low density, proposing only one structure on a block that can accommodate better density and should be promoted for higher density use.
 - Original proposal for one hotel has been replaced with two hotels and a 245 space parking structure, maximizing the opportunity to develop the site.
 - Less Surface Parking
 - Original proposal presented 96 surface parking spaces, which would leave much of the site undeveloped and underutilized.

Financial Analysis

23 Year Time Period – Property Taxes

- Do Nothing/Convert to Surface Parking
 - \$1.3 million to \$1.5 million
- Proposed Project
 - New Tax increment taxes generated = \$11,081,560
 - Hotel #1: \$5,588,500
 - Hotel #2: \$4,028,919
 - Parking Garage: \$1,464,141
 - Economic development grant payments = \$6,753,486
 - Hotel #1: \$2,826,741
 - Hotel #2: \$2,826,741

Financial Analysis

23 Year Time Period – Hotel/Motel Taxes

- Do Nothing/Convert to Surface Parking
 - \$0
- Proposed Project
 - New hotel/motel taxes generated = \$6,210,182
 - Hotel #1: \$3,772,461
 - Hotel #2: \$2,437,721
 - Assumes 50% leakage from existing Des Moines hotels

HOTEL/MOTEL TAXES TO DES MOINES= \$6,210,182

Financial Analysis

23 Year Time Period – All Taxes

- Do Nothing/Convert to Surface Parking
 - \$1.3 million to \$1.5 million property taxes
- Proposed Project
 - \$11,081,560 new property taxes
 - \$6,210,182 new hotel/motel taxes
 - (\$6,753,486) economic development grant payments

NET RETURN ON INVESTMENT TO CITY = \$10,538,256

*Business Travel News reports that an overnight hotel stay generates \$261 per