



Date October 23, 2017

RESOLUTION APPROVING FOURTH AMENDMENT TO LEASE AGREEMENT WITH ATRIUM FINANCE III, LP, AND ATRIUM TRS III, LP, FOR RELOCATION OF PARKING INTO THE EAST SECOND PARKING GARAGE

WHEREAS, on May 1, 1989, by Roll Call No. 89-1882, the City Council approved a *Lease Agreement* with John Q. Hammons, who was then developing the Embassy Suites Hotel at 101 E. Locust Street, for the lease of the south one-half of the block (the "Block") located north of Locust Street, between Robert D. Ray Drive and E. 2nd Street, for use as a parking lot with 149 parking spaces; and,

WHEREAS, the lease allows the City to relocate the 149 parking spaces to accommodate future redevelopment of the Block; and,

WHEREAS, on March 21, 2016, by Roll Call No. 16-0500, in anticipation of redeveloping the Block, the City Council approved an amendment to the *Lease Agreement* with Atrium Finance III, LP and Atrium TRS III, LP (collectively "Atrium"), as successors to the interests of John Q. Hammons in ownership of the Embassy Suites Hotel, to relocate 55 of the parking spaces to a temporary parking lot on the western edge of the Block, and to relocate the remaining 94 parking spaces to on-street parking spaces on E. Locust and E. Walnut Streets; and,

WHEREAS, on April 11, 2016, by Roll Call No. 16-0634, by the City Council approved an *Urban Renewal Agreement For Sale of Land for Private Redevelopment* with 101 East Grand Parking, LLC, represented by Jake Christensen and Tim Rypma, Officers, for the sale and redevelopment of the Block with three phases of development as follows:

- Phase 1 to be the construction of a 5-story parking garage fronting on E. 2nd Street midway between E. Grand Avenue and E. Locust Street, to be acquired by the City for public use pursuant to a separate Lease Purchase Agreement; and,
- Phases 2 and 3 to be the construction of two buildings along E. Grand Avenue and E. Locust Street, each having a minimum floorplate of 14,000 square feet and a minimum height of 4 stories,

while retaining ownership of a parcel on the western edge of the Block for temporary use as replacement parking for Atrium, and for a future City office building; and,

WHEREAS, the new parking garage has been completed and the City has taken possession of the garage for operation as the East Second Parking Garage; and,

WHEREAS, the City Manager has negotiated a Fourth Amendment to the Lease Agreement (the "Fourth Amendment") with Atrium to relocate the 94 on-street parking spaces into the East Second Parking Garage.



Roll Call Number

Agenda Item Number

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Date October 23, 2017

NOW THEREFORE, BE IT RESOLVED, by the City Council of the City of Des Moines, Iowa, as follows:

- 1. The proposed Fourth Amendment to Lease Agreement which is now on file and available for inspection in the office of the City Clerk is hereby approved.
2. The Mayor and City Clerk are hereby authorized and directed to execute the Fourth Amendment on behalf of the City of Des Moines.
3. Upon execution of the Fourth Amendment by all parties, the City Clerk is hereby authorized and directed to cause the document to be recorded with the Polk County Recorder.

( Council Communication No. 17- 763 )

MOVED by \_\_\_\_\_ to adopt and approve the Fourth Amendment to Lease Agreement, with such minor changes as may be required by Atrium and approved by the City Manager or his designee, in form approved by the City Legal Department.

FORM APPROVED:

Roger K. Brown (signature)

Roger K. Brown

Assistant City Attorney

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Table with 5 columns: COUNCIL ACTION, YEAS, NAYS, PASS, ABSENT. Rows include COWNIE, COLEMAN, GATTO, GRAY, HENSLEY, MOORE, WESTERGAARD, and TOTAL.

CERTIFICATE

I, DIANE RAUH, City Clerk of said City hereby certify that at a meeting of the City Council of said City of Des Moines, held on the above date, among other proceedings the above was adopted.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my seal the day and year first above written.

MOTION CARRIED APPROVED

Mayor

City Clerk