



Date December 17, 2018

RESOLUTION APPROVING PRELIMINARY TERMS OF AN URBAN RENEWAL DEVELOPMENT AGREEMENT WITH SWAPS CASH, LLC FOR THE CONSTRUCTION OF A NEW 6-STORY, 112 ROOM ELEMENT HOTEL PROJECT LOCATED AT 304 EAST WALNUT STREET, AND WAIVER OF THE TRAFFIC ANALYSIS POLICY TO ALLOW SUBMITTAL OF A SITE PLAN PRIOR TO COMPLETION OF TRAFFIC REVIEW

WHEREAS, Swaps Cash, LLC (the "Developer"), represented by Lincoln and Lisa McIlravy, Members, proposes to develop a new 6-story, 112 room Element Hotel on a vacant quarter block site at 304 E. Walnut Street, which is expected to include at least 1,600 square feet of ground level commercial retail space for lease on East Walnut Street and a total of 99 parking stalls provided within an underground and 2nd floor covered ramp (collectively the "Improvements"), at an estimated total project cost of \$22.7 million, subject to receipt of the financial assistance identified below; and,

WHEREAS, construction of the Improvements is anticipated to commence in the spring of 2019, with an estimated completion date in the 2nd half of 2020; and,

WHEREAS, the Office of Economic Development has negotiated preliminary terms of an Urban Renewal Development Agreement with the Developer which provides that in consideration of the Developer's completion of the Improvements, the City will provide an economic development grant to be paid in installments over 15 years after completion of the Improvements, with the installment(s) due in each fiscal year being in an amount equal to the 75% of the tax increment revenue generated by the land and Improvements in that fiscal year, as more specifically described in the accompanying Council Communication; and,

WHEREAS, the City's Traffic Analysis Policy contains a requirement that applications for development review processes shall not be submitted or considered until the traffic analysis report is final; and,

WHEREAS, the Developer has requested that the City Council take action to allow the site plan to be submitted for review before completion of the traffic analysis, to allow the project to remain on the January 17, 2019, Plan and Zoning Commission hearing date, which would facilitate the early spring start of construction; and,

WHEREAS, the following unique circumstances support consideration of a waiver of the City's Traffic Analysis Policy:

- A traffic analysis is currently underway for this project and is expected by January 4, 2019;
- The preliminary study results show the project is not expected to cause significant impacts to the local road network and traffic signals;



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- The site plan can be withdrawn from the Plan and Zoning Commission agenda if prior to the meeting: i) the traffic analysis has not been completed by the consultant; and, ii) any necessary traffic improvements have not been incorporated into the site plan and reviewed by the City staff;
- The City's Traffic Engineer is supportive of the Developer's request; and,
- Without a waiver, the delay in accepting the Site Plan for review and consideration is expected to delay the start of construction.

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

1. The preliminary terms of agreement as described above and in the accompanying Council Communication are hereby approved, and the Office of Economic Development is hereby authorized and directed to negotiate with Swaps Cash, LLC, on final terms of an Urban Renewal Development Agreement for consideration for approval by the City Council.
2. The requirement imposed by the City's Traffic Analysis Policy that applications for development review processes cannot be accepted or considered until the traffic analysis report is completed, is hereby waived due to the unique circumstances identified above. The Permit and Development Center is hereby authorized and directed to accept the site plan for the Element Hotel project for review and consideration.

(Council Communication No. 18- 681)

MOVED by _____ to adopt.

FORM APPROVED:

By: Roger K. Brown
Roger K. Brown, Assistant City Attorney

COUNCIL ACTION	YEAS	NAYS	PASS	ABSENT
COWNIE				
BOESEN				
COLEMAN				
GATIO				
GRAY				
MANDELBAUM				
WESTERGAARD				
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