



Date January 14, 2019

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

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 approximately 99 parking stalls provided within a 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 Improvements (exclusive of the land) in that fiscal year; and,

WHEREAS, the installments on the economic development grant to be paid over 15 years are estimated to total approximately \$3.2 million, with a net present value of \$2.4 million at a 4.5% discount rate, as more specifically described in the accompanying Council Communication.

NOW THEREFORE, BE IT RESOLVED, by the City Council of the City of Des Moines, Iowa, that the preliminary terms of agreement 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 consistent with the preliminary terms for consideration for approval by the City Council at a future time.



Roll Call Number

Agenda Item Number

33

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Date January 14, 2019

MOVED by _____ to adopt.

FORM APPROVED:

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

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COUNCIL ACTION	YEAS	NAYS	PASS	ABSENT
COWNIE				
BOESEN				
COLEMAN				
GATTO				
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