

Date April 8, 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 (“Developer”), represented by Lincoln and Lisa McIlravy, Members, proposes to construct 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 an underground and second floor covered ramp (collectively the “Improvements”), at an estimated total project cost of \$22,700,000, subject to receipt of the financial assistance identified below; and

WHEREAS, construction of the Improvements is anticipated to commence no sooner than September 2019, with an estimated completion date in early 2021; and

WHEREAS, the City’s Office of Economic Development has negotiated preliminary terms of an Urban Renewal Development Agreement with the Developer which provide 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 10 years after completion of the Improvements, with the installment(s) due in each fiscal year being in an amount equal to 80 percent of the tax increment revenue generated by the Improvements (exclusive of the land) in that fiscal year, and the total amount of all installments to be capped at \$2,000,000, all as more specifically described in the accompanying Council Communication; and

WHEREAS, the developer has agreed as a preliminary term of Agreement to limit the hours of construction that exceeds minimum City sound ordinance requirements to be respectful of nearby residents, with construction ending at 7:30 p.m. on weekdays and 9:00 p.m. on weekends.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Des Moines, Iowa, that the preliminary terms of agreement with Swaps Cash, LLC as described above and in the accompanying Council Communication are hereby received and filed, and the City Manager is hereby directed to proceed with negotiation of a development agreement with the Developer on final terms of an Urban Renewal Development Agreement consistent with the preliminary terms for consideration for approval by the City Council.

(Council Comm. No. 19-166)

APPROVED AS TO FORM:

MOVED BY _____ TO ADOPT.

Glenna K. Frank
Glenna K. Frank, Assistant City Attorney

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

MOTION CARRIED

APPROVED

Mayor

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.

City Clerk