

Date February 11, 2013

RESOLUTION APPROVING CONSTRUCTION PERIOD TAX ABATEMENT
FOR TWO NEW HOTELS AT 100 AND 120 WATER STREET AND A NEW PARKING
GARAGE AT 101 SW 2nd STREET

WHEREAS, on January 23, 2012, by Roll Call No. 12-0121, the City Council approved an Urban Renewal Development Agreement with Waterfront Lodging, Inc. (hereinafter "Waterfront"), represented by Ravi Patel, its President, whereby Waterfront undertook to construct a new hotel at 120 Water Street containing approximately 125 to 130 lodging rooms, a new hotel at 100 Water Street containing approximately 100 to 120 lodging rooms and a new parking garage at 101 Water Street having approximately 238 parking spaces; and,

WHEREAS, on September 24, 2012, by Roll Call No. 12-1503, the City Council approved an Agreement with Waterfront whereby Waterfront undertook to cause the overhead electric lines in Market Street between 2nd Avenue and Water Street to be relocated underground, in exchange for a one-year exemption from taxation (tax abatement) on the value added to construction of the two hotels and parking garage in calendar year 2012, up to a maximum value as measured by the avoided property taxes of \$52,000, or the payment of an equivalent economic development grant if the City did not timely amend the Metro Center Urban Renewal Plan to allow such a temporary exemption from taxation; and,

WHEREAS, on December 20, 2012, by Roll Call No. 12-1970, the City Council approved the Eleventh Amendment to the Metro Center Urban Renewal Plan which amended the qualifications for construction period tax abatement to allow the two hotels and parking garage described above to qualify for such tax abatement, subject to the limitation that the exemption from taxation shall be limited to a maximum value as measured by the avoided property taxes of \$52,000; and,

WHEREAS, Waterfront has caused the overhead electric lines in Market Street between 2nd Avenue and Water Street to be relocated underground; and,

WHEREAS, Waterfront and a related company, Des Moines River Lodging, Inc., have applied for construction period tax abatement pursuant to Iowa Code §403.6(18) and the Metro Center Urban Renewal Plan, for the taxable value added by the construction of the two new hotels and parking garage identified above; NOW THEREFORE,

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

1. The City Council hereby makes the following findings regarding the applications by Waterfront Lodging, Inc., and Des Moines River Lodging, Inc., for construction period tax abatement for the value added by the construction of the two new hotels at 100 and 120 Water Street and a new parking garage at 101 SE 2nd Street:

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A. The two hotels and parking garage are assessed as commercial property on the following tax parcels:

<u>Structure</u>	<u>Address</u>	<u>District/Parcel No.:</u>
Hampton Inn Hotel	120 Water Street	020/01409-005-000
Residence Inn Hotel	100 Water Street	020/01409-004-000
Parking Garage	101 SW 2nd Avenue	020/01409-006-000

B. The two hotels and parking garage are located within the Metro Center Urban Renewal Area, and within the block bounded by 2nd Avenue and Vine, Water and Market Streets.

C. The applications for construction period tax abatement were timely filed with the City;

D. The two hotels and parking garage each satisfy the eligibility criteria set forth in the Metro Center Urban Renewal Plan and Iowa Code §403.6(18) for construction period tax abatement.

E. Construction of each of the two hotels and parking garage was commenced in 2012, and was less than 80% completed on January 1, 2013.

2. The applications for construction period tax abatement for the value added by the construction of the two hotels and parking garage as described above are hereby approved.
3. The Polk County Assessor is hereby directed to allow a 100% exemption from taxation on the value added by the construction of the two hotels and parking garage and existing on January 1, 2013, subject to the limitation that the exclusion from taxation shall be limited to that amount of value necessary to generate a total reduction in property taxes that would otherwise be required to be paid of Fifty Two Thousand Dollars (\$52,000). The amount of value eligible for such exclusion on each of the three tax parcels containing the two hotels and parking garage shall be reduced proportionately, if necessary, so that the total reduction in property taxes for the three eligible tax parcels does not exceed Fifty Two Thousand Dollars (\$52,000). The exemption from taxation on the value existing on January 1, 2013, shall be applied to the taxes that would otherwise be due and payable in Fiscal Year 2014/15.
4. The City Clerk is hereby authorized and directed to forward a certified copy of this resolution and of the three applications to the Polk County Assessor.

★ Roll Call Number

13-0196

Agenda Item Number

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Date February 11, 2013

(Council Communication No. 13- 069)

MOVED by Hensley to adopt.

FORM APPROVED:

Roger K Brown

Roger K. Brown

Assistant City Attorney

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COUNCIL ACTION	YEAS	NAYS	PASS	ABSENT
COWNIE	✓			
COLEMAN	✓			
GRIESS	✓			
HENSLEY	✓			
MAHAFFEY	✓			
MEYER	✓			
MOORE	✓			
TOTAL	7			

MOTION CARRIED

APPROVED

T. M. Franklin Council 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.

Diane Rauh

City Clerk