

★ Roll Call Number

16-0500

Agenda Item Number

46A

Date March 21, 2016

RESOLUTION APPROVING ADDENDUM TO LEASE AGREEMENT WITH ATRIUM FINANCE III, LP, AND ATRIUM TRS III, LP, FOR RELOCATION OF THE EMBASSY SUITES HOTEL PARKING LOT, AND TEMPORARILY CLOSING THE PARKING LANES ON PORTIONS OF THE WALNUT AND LOCUST STREET BRIDGES AND ON PORTIONS OF E. WALNUT AND E. LOCUST STREETS, AND TEMPORARILY CLOSING A PORTION OF THE 400 BLOCK OF ROBERT D. RAY DRIVE

WHEREAS, the City of Des Moines owns the block east of City Hall, bordered by East Grand Avenue, East Locust Street, and East Second Street, and currently used for the City parking lot and the parking lot leased to Atrium Finance III, LP, for parking for the Embassy Suites Hotel; and

WHEREAS, on March 7, by Roll Call No. 16-0413, the City Council received a proposed *Urban Renewal Agreement for the Sale of Land for Private Redevelopment* from 101 East Grand Parking, LLC (hereinafter "East Grand Parking"), represented by Jake Christensen and Tim Rypma, officers, for the purchase and redevelopment of portions of the City-owned parking lots 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 Grand Avenue and Locust Street, each having a minimum floorplate of 14,000 square feet, a minimum height of 4 stories, with at least 75% of the 1st floor used for retail or restaurant uses, with residential or commercial uses above, and having a combined total of at least 28,000 square feet of office use;

all to be designed and constructed in conformance with a City approved Conceptual Development Plan, in consideration of certain financial incentives to be provided by the City as more specifically described in Council Communication No. 16-131; and,

WHEREAS, the parking spaces in the parking lot leased to Atrium Finance III, LP, and serving the Embassy Suites Hotel, must be relocated to permit the redevelopment of the block as proposed by East Grand Parking; and,

WHEREAS, the City Manager has negotiated an *Addendum to Lease Agreement* with Atrium Finance III, LP, and its tenant, Atrium TRS III, LP, collectively referred to as "Atrium", for the relocation of the parking spaces serving the Embassy Suites Hotel to a smaller temporary parking lot along the west end of the block east of City Hall, and to on-street parking spaces on the Locust and Walnut Street Bridges and along portions of E. Locust and E. Walnut Streets; and,

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WHEREAS, the proposed Addendum to Lease Agreement is on file and available for inspection in the office of the City Clerk; and,

WHEREAS, use of the on-street parking spaces as contemplated by the Addendum to Parking Lease requires that the affected parking spaces be temporarily closed as public right-of-way; and,

WHEREAS, the construction and use of the temporary parking lot as contemplated by the Addendum to Parking Lease requires that a portion of the 400 block of Robert D. Ray Drive be temporarily closed as public right-of-way.

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

1. The proposed *Addendum to Lease Agreement* is hereby approved. The Mayor and City Clerk are hereby authorized and directed to execute the *Addendum to Lease Agreement* on behalf of the City of Des Moines, Iowa, 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.
2. The parking lanes located on portions of the Locust and Walnut Street Bridges over the Des Moines River, and upon portions of E. Locust and E. Walnut Street more specifically described below are hereby temporarily closed effective April 1, 2016, pursuant to Iowa Code §364.12(2)(a):
 - The 10 foot wide parking lanes containing the metered parking spaces on each side of E. Locust Street and the Locust Street Bridge, commencing 120 feet West of the West right-of-way line of Robert D. Ray Drive, and extending West 570 feet; and,
 - The 19 foot wide parking lanes containing the metered parking spaces on each side of E. Walnut Street and the Walnut Street Bridge, commencing 35 feet West of the West right-of-way line of East 1st Street, and extending West 345 feet.
3. The East 15 feet of the Robert D. Ray Drive right-of-way between E. Grand Avenue and E. Locust Street is hereby temporarily closed effective April 8, 2016, pursuant to Iowa Code §364.12(2)(a).

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4. The City Council hereby declares its intent to adopt a future resolution reopening the street segments hereby closed, upon the earlier of:
 - a) The opening for public use of the Des Moines City Hall Parking Garage proposed to be located within the block east of City Hall and completed on or about October 15, 2017; or,
 - b) The expiration of the initial term of the Lease Agreement with Atrium Finance III, LP, for the provision of parking for the Embassy Suites Hotel, on October 3, 2020.

(Council Communication No. 16- 161)

MOVED by Gatto 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	✓			
GATTO	✓			
GRAY	✓			
HENSLEY	✓			
MOORE	✓			
WESTERGAARD	✓			
TOTAL	7			

MOTION CARRIED

APPROVED

T. M. Franklin 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