



Roll Call Number

26-0899

Agenda Item Number

34

Date August 3, 2026

**RESOLUTION APPROVING PRELIMINARY TERMS OF AN URBAN RENEWAL
DEVELOPMENT AGREEMENT WITH DMCRE2 LLC FOR THE RENOVATION OF
206 8TH STREET INTO A 157 ROOM MARRIOTT LE MERIDIEN HOTEL**

WHEREAS, DMCRE2, LLC (“Developer”) represented by Jonathan Koester (Managing Partner), proposes to undertake the renovation of a vacant office building located at 206 8th Street into a boutique 157-room Marriott Le Meridien hotel (the “Improvements”) to be located in the Metro Center Urban Renewal Area; and

WHEREAS, the total project cost of the Improvements is estimated to cost \$48,000,000.00, subject to receipt of the financial assistance identified below; and

WHEREAS, the Developer seeks reimbursement from the taxable building valuations (exclusive of land) in accordance with the following schedule:

- Year 1: zero percent (0%) of the Project Generated TIF;
- Years 2-9: eighty-five percent (85%) of the Project Generated TIF;
- Years 10-11: eighty percent (80%) of the Project Generated TIF;
- Year 12-17: seventy-five percent (75%) of the Project Generated TIF;
- Years 18-21: sixty percent (60%) of the Project Generated TIF;

not to exceed \$3,900,000.00 on a net present value basis at a 4.5% discount rate; and

WHEREAS, the Developer has provided the Office of Economic Development with a financial analysis of the project, indicated a financial gap between the project appraisal and anticipated mortgage origination amount, and seeks this financial assistance package to be provided from project-generated tax increment 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, as follows:

1. The City Council hereby approves the preliminary terms of an agreement as set forth in the accompanying Council Communication; and
2. Directs the City Manager or his designee to negotiate final terms of an agreement for future consideration by the City Council.

(Council Communication No. 26-271)

Moved by Gatto to adopt. Second by Voss.



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APPROVED AS TO FORM:

/s/ Emily A. Duffy

Emily A. Duffy

Assistant City Attorney

COUNCIL ACTION	YEAS	NAYS	PASS	ABSENT
BOESEN	✓			
SIMONSON	✓			
VOSS	✓			
BARRON	✓			
WESTERGAARD	✓			
MANDELBAUM	✓			
GATTO	✓			
TOTAL	7			

MOTION CARRIED

APPROVED

Connie Breen

Mayor

CERTIFICATE

I, Laura Baumgartner, 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.

Laura Baumgartner

City Clerk