


COUNCIL COMMUNICATION

	Number:	20-409	Meeting:	September 14, 2020
	Agenda Item:	45	Roll Call:	20-1453
	Submitted by:	Erin Olson-Douglas, Economic Development Director		

AGENDA HEADING:

Approving First Amendment to the Urban Renewal Development Agreement with Swaps Cash, LLC for the redevelopment of property located at 304 East Walnut Street.

SYNOPSIS:

Swaps Cash, LLC (Lincoln and Lisa McIlravey, Members, 4220 210th Street, Solon, IA 52333) proposes to construct a new 6-story, 112 room Element Hotel by Marriott project on a vacant quarter block site at 333 East 3rd Street in the Historic East Village Neighborhood.

The project has not yet moved forward due the Developer dealing with cost overruns that were impactful to the project budget, and later, the economic effects of Covid-19 on the hospitality industry. The Developer is optimistic that future economic conditions with the local hospitality industry will be conducive for the project to move forward and has requested an extension of time for commencement and completion of construction of the project, necessary to not be in default of the Development Agreement.

The First Amendment to the Urban Renewal Development Agreement seeks to amend the dates to commence construction from September 23, 2019 to July 31, 2021, and to complete the construction by no later than December 31, 2023. No additional modifications to the Agreement or the financial assistance package are proposed at this time.

FISCAL IMPACT: NONE

ADDITIONAL INFORMATION:

- The hotel is proposed to include 112 rooms and guest suites and will feature a swimming pool, indoor fitness center, a hotel restaurant/lounge area, rooftop outdoor seating area, and will provide a minimum of 2,000 square feet of ground floor commercial retail space on East Walnut Street. The ground floor level will include hotel lobby area, public space amenities, and a business center/meeting room, the second floor will include structured parking that is accessed from East 3rd Street, and floors three (3) through six (6) are hotel guest rooms. A rooftop deck area will be located on a recessed courtyard of the building on the third floor. A total of 63 parking stalls will be provided on site, with the use of an additional 32 parking stalls proposed in the privately-owned parking ramp east of the site, providing a total of 95 guest parking spaces.

- All other terms and conditions of the Agreement remain unchanged and binding upon both parties.

PREVIOUS COUNCIL ACTION(S):

Date: August 19, 2019

Roll Call Number: [19-1347](#)

Action: [Development](#) Agreement with Swaps Cash, LLC (Lincoln and Lisa McIlravy, property owner and developer) for construction of a new 6-story, 112 room Element Hotel project at 304 East Walnut Street and approving proposed Conceptual Development Plan. ([Council Communication No. 19-377](#)) Moved by Gatto to adopt; and to add electric vehicle readiness to the parking lot. Motion Carried 7-0.

BOARD/COMMISSION ACTION(S):

Board: Urban Design Review Board

Date: July 2, 2019

Resolution Number: N/A

Action: A consensus of the members present voted in support to approve the conceptual development plan and recommend approval of the financial assistance package.

Board: Plan and Zoning Commission

Date: June 20, 2019

Resolution Number: N/A

Action: Plan and Zoning Commission voted 11-01-1 (one abstention) to approve a site plan for the “Des Moines Element Hotel” under design guidelines in “C-3B” Districts, to allow development of a 6-story, 112-guestroom hotel with ground floor retail space and indoor parking space.

Board: Zoning Board of Adjustment

Date: November 28, 2018

Resolution Number: N/A

Action: The Board voted to deny the request of a Variance of 27.5 feet to the building limitations of the C-3B zoning bulk regulations and “CDO” Capitol Dominance Overlay District but approved a revised appeal for an Exception of 20-feet over the district regulations.

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE

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