

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:

Date February 11, 2013

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**

**Agenda Item Number**

21

3

Date February 11, 2013

( Council Communication No. 13- 069 )

MOVED by \_\_\_\_\_ 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				
<b>TOTAL</b>				
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

# LILLIS O'MALLEY OLSON MANNING POSE & VAN DIKE LLP

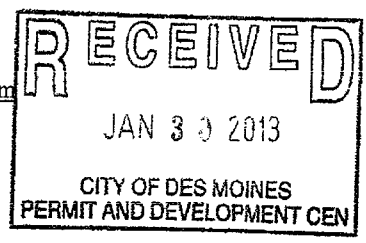
WILLIAM J. LILLIS  
MICHAEL W. O'MALLEY  
EUGENE E. OLSON  
DANIEL L. MANNING  
CHRISTOPHER R. POSE  
ADAM C. VAN DIKE  
JOEL B. TEMPLEMAN\*  
BRIDGET O'MALLEY KAUTZKY  
\*LICENSED IN IOWA & ILLINOIS

ATTORNEYS AT LAW  
(ESTABLISHED 1917)  
317 SIXTH AVENUE, SUITE 300  
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TELEPHONE (515) 243-8157  
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JOHN CONNOLLY, JR. (1891-1975)  
GEORGE E. O'MALLEY (1905-1982)  
JOHN CONNOLLY III (1918-1998)  
BERNARD J. CONNOLLY (1920-1970)  
C. I. MCNUTT (1901-1958)  
STREETAR CAMERON (1957-2008)  
RUSSELL J. HANSEN  
RETIRED

Writer's Direct E-Mail: [dmanning@lolaw.com](mailto:dmanning@lolaw.com)

January 30, 2013



City of Des Moines  
Permit and Development Center  
602 Robert D. Ray Drive  
Des Moines, IA 50309

Re: Commercial Tax Abatement Application for:  
100 Water Street - DM River Lodging, Inc. (Residence Inn)  
101 S.W. 2<sup>nd</sup> St. - Waterfront Lodging, Inc. (Parking Structure)  
120 Water Street - Waterfront Lodging, Inc. (Hampton Inn)

To Whom It May Concern:

Please be advised that Des Moines River Lodging, Inc. and Waterfront Lodging, Inc. do hereby submit a Commercial Tax Abatement Application for those parcels of real property identified above.

After consultation with the Polk County Assessor's office, we have determined that the three parcels above collectively have a base (for improvements only) assessment as follows:

100 Water Street (Residence Inn)	\$ 95,000.00
101 S.W. 2 <sup>nd</sup> Street (Parking Structure)	\$136,000.00
120 Water Street (Hampton Inn)	\$ 35,000.00
 Total improved base assessment:	 \$266,000.00.

Although we have provided the costs expended as of January 1, 2013, for the three tax parcels, we recognize that costs, in an interim assessment, do not directly correlate to value. This is true in that we anticipate that a majority of the costs to complete the improvements will be incurred in calendar year 2013 and Polk County will then be able to complete a full assessment on the Residence Inn, Hampton Inn and parking structure in the next assessment period (January 1, 2014.)

LILLIS O'MALLEY OLSON MANNING POSE & VAN DIKE LLP

January 30, 2013

Page 2

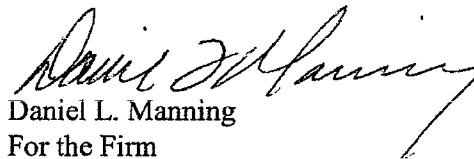
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We assert that an increase in the assessed valuation, (improvements only) as of January 1, 2013, for the three tax parcels identified herein be set at \$1,380,000.00 and that this amount should then be added to the base assessment on improved property of \$266,000.00 for a total interim assessment on all three tax parcels as of January 1, 2013 of \$1,646,000.00. Enclosed with this letter are the application forms for each of the three tax parcels identified above. Each of these have been signed by myself as the authorized agent acting on behalf of DM River Lodging, Inc. and Waterfront Lodging, Inc.

Further, the applicant asserts that the improvements are commercial in nature and are new construction; that the applicant is making this request concerning only those improvements bounded by 2<sup>nd</sup> Ave., Vine Street, Water Street and Market Street; the project conforms with the City's Land Use Plan; and, the value subject to exclusion has been added to the property as of January 1, 2013.

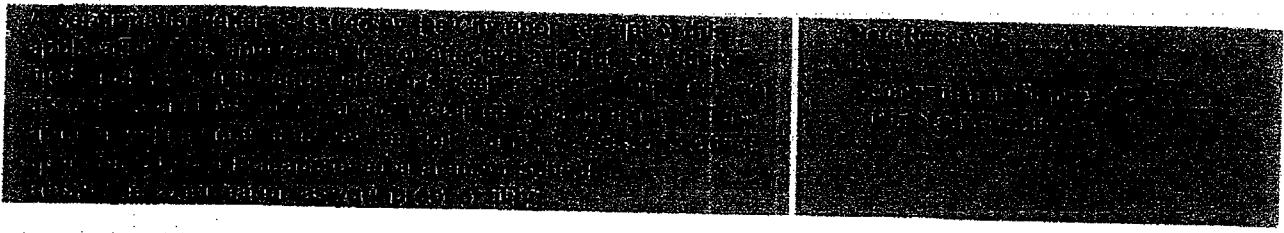
Should you have any question or comment, please advise.

Very truly yours,



Daniel L. Manning  
For the Firm

DLM:dj  
Enclosures



2012



# Commercial Tax Abatement Application

\*Reference applicable design standards found on pages 2 & 3\*

Property & Owner/ Authorized Agent Info	Address (seeking abatement): <u>100 Water Street</u> Legal description: <u>Parts of Lots 1, 2, 7, 8 &amp; Part of Vacated Alley, Blk 36</u> Polk Co. Assessor's District & Parcel #: <u>020</u> <u>01409-004-000</u> <u>FDM</u> (Go to: <a href="http://www.assess.co.polk.ia.us/">http://www.assess.co.polk.ia.us/</a> ) district parcel #  Title holder or contract holder name: <u>DM River Lodging, Inc.</u> *Phone #: ( <u>515</u> ) <u>243-8157</u> email: <u>dmanning@lolaw.com</u> (*required) Authorized Agent: <u>Daniel L. Manning</u> (if different from property owner, ex. attorney, contract buyer) Address of owner if different than above: _____
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Property Classification	<input checked="" type="checkbox"/> Commercial <input type="checkbox"/> Industrial
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Project Type	<input checked="" type="checkbox"/> New Structure <input type="checkbox"/> Addition <input type="checkbox"/> Renovation (check more than one box if applicable)
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Describe Improvements	(Include plumbing, electrical, mechanical and building changes and additions) Attach additional sheets if necessary <u>Construction of Residence Inn Hotel</u> <u>Foundation 100% complete as of Jan. 1, 2013</u> <u>Structural envelope of building 60% complete as of Jan. 1, 2013</u>
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Completion Date	<u>Dec / 2013</u> <input checked="" type="checkbox"/> Estimated date <input type="checkbox"/> Actual date (check one) month / year  Your improvements will be assessed for tax abatement on Jan. 1, 2013 even if partially completed. This assessment and abatement will be reflected in your Sept. 2013 tax payment. Abatement requests cannot be fully processed until the project is completed and all necessary inspections have been conducted.
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Est. Cost of Improvements	\$ <u>3,000,000.00</u> as of Jan. 1, 2013
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Abatement Schedule	<input checked="" type="checkbox"/> 2 <input type="checkbox"/> 3 (check one) (See reverse side for schedule information)
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City of Des Moines Permit & Development Center 602 Robert Ray Dr. Des Moines, IA 50309	Questions? 515-283-4200 or taxabate@dmgov.org	Submitted by: <u>Daniel L. Manning</u> I certify these statements are true to the best of my knowledge. Signature: _____ Date: <u>Jan 30, 2013</u>
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2012



# Commercial Tax Abatement Application

\*Reference applicable design standards found on pages 2 & 3\*

Property & Owner/ Authorized Agent Info

Address (seeking abatement): 101 SW 2nd St.  
 Legal description: Lots 2, 3, 4 and Part of Vacated Alley & Vacant Market  
 Polk Co. Assessor's District & Parcel #: 020 01409-006-000B1k 36 EDM  
 (Go to: <http://www.assess.co.polk.ia.us/>) district parcel #

Title holder or contract holder name: Waterfront Lodging, Inc.  
 \*Phone #: (515) 243-8157 email: dmanning@lolaw.com  
 (\*required)  
 Authorized Agent: Daniel L. Manning (if different from property owner, ex. attorney, contract buyer)  
 Address of owner if different than above: \_\_\_\_\_

Property Classification

- Commercial
- Industrial

Project Type

- New Structure
- Addition
- Renovation (check more than one box if applicable)

Describe Improvements

(Include plumbing, electrical, mechanical and building changes and additions) Attach additional sheets if necessary  
Parking structure  
Foundation 50% complete as of Jan. 1, 2013

Completion Date

Dec / 2013  Estimated date  Actual date (check one)  
 month / year

Your improvements will be assessed for tax abatement on Jan. 1, 2013 even if partially completed. This assessment and abatement will be reflected in your Sept. 2013 tax payment. Abatement requests cannot be fully processed until the project is completed and all necessary inspections have been conducted.

Est. Cost of Improvements

\$ 250,000.00 as of Jan. 1, 2013

Abatement Schedule

- 2
- 3 (check one)

(See reverse side for schedule information)

Mailed return to

Questions?

submitted by

City of Des Moines  
 Permit &  
 Development Center  
 602 Robert Ray Dr.  
 Des Moines, IA 50309

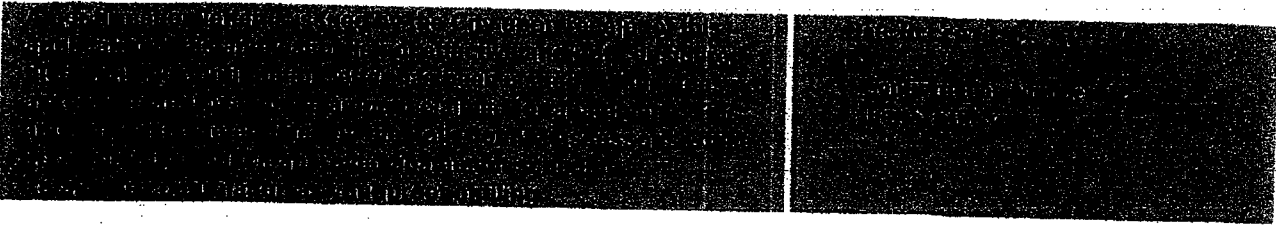
515-283-4200 or  
 taxabate@dmgov.org

I certify these statements are true to the best of my knowledge

Signature

*Daniel L. Manning*

Jan 30, 2013  
Date



2012



# Commercial Tax Abatement Application

\*Reference applicable design standards found on pages 2 & 3\*

Property & Owner/ Authorized Agent Info	Address (seeking abatement): <u>120 Water Street</u> Legal description: <u>Lots 3, 4, 5, 6, 7 and part of vacated alley, Blk 36 FDM</u> Polk Co. Assessor's District & Parcel #: <u>020</u> <u>01409-005-000</u> (Go to: <a href="http://www.assess.co.polk.ia.us/">http://www.assess.co.polk.ia.us/</a> ) district parcel #  Title holder or contract holder name: <u>Waterfront Lodging, Inc.</u> *Phone #: ( <u>515</u> ) <u>243-8157</u> email: <u>dmanning@1olaw.com</u> (*required) Authorized Agent: <u>Daniel L. Manning</u> (if different from property owner, ex. attorney, contract buyer) Address of owner if different than above: _____
Property Classification	<input checked="" type="checkbox"/> Commercial <input type="checkbox"/> Industrial
Project Type	<input checked="" type="checkbox"/> New Structure <input type="checkbox"/> Addition <input type="checkbox"/> Renovation (check more than one box if applicable)
Describe Improvements	(Include plumbing, electrical, mechanical and building changes and additions) Attach additional sheets if necessary <u>Hampton Inn Hotel</u> <u>Preliminary grading work as of Jan. 1, 2013</u>
Completion Date	<u>Dec / 2013</u> <input checked="" type="checkbox"/> Estimated date <input type="checkbox"/> Actual date (check one) month / year  Your improvements will be assessed for tax abatement on Jan. 1, 2013 even if partially completed. This assessment and abatement will be reflected in your Sept. 2013 tax payment. Abatement requests cannot be fully processed until the project is completed and all necessary inspections have been conducted.
Est. Cost of Improvements	\$ <u>250,000.00</u> as of Jan. 1, 2013
Abatement Schedule	<input checked="" type="checkbox"/> 2 <input type="checkbox"/> 3 (check one) (See reverse side for schedule information)

Mail or return to: **City of Des Moines** Permit & Development Center 602 Robert Ray Dr. Des Moines, IA 50309

Questions? 515-283-4200 or taxabate@dmgov.org

Submit to: I certify these statements are true to the best of my knowledge.

Daniel L. Manning Signature  
Jan 30, 2013 Date