

OFFICE OF THE CITY MANAGER  
DES MOINES, IOWA

CITY COUNCIL COMMUNICATION 96-520  
DECEMBER 2, 1996 AGENDA

SUBJECT:	TYPE:	SUBMITTED BY:
AIRPORT BUSINESS PARK (ABC PARTNERS — RICHARD MARGULIES, ET AL)	◆ RESOLUTION ORDINANCE RECEIVE/FILE	RICHARD CLARK ACTING CITY MANAGER

**SYNOPSIS —**

On the December 2, 1996 Council agenda is a Hearing item relating to the final approval of the Urban Renewal Plan, Urban Revitalization Plan amendment, TIF Ordinance and Urban Renewal Development Agreement for the Airport Business Park Project Area.

The Council has taken several previous actions regarding the Airport Business Park as summarized below:

On September 3, 1996, by Roll Call No. 96-3112, the Council approved the Terms of Agreement for an amended Development Agreement with ABC Partners and directed the City Manager to prepare the necessary documents for final approval by the City Council.

On October 21, 1996, by Roll Call No. 96-3560, the Council set the date of hearing on the proposed Urban Renewal Plan for December 2, 1996. In addition, by Roll Call No. 96-3561, Council set the date of hearing on the second amendment to the Airport Business Park Urban Revitalization Plan for December 2, 1996.

On November 18, 1996 by Roll Call No. 96-3899 the Council approved the Addendum to the Development Agreement between the City of Des Moines and ABC Partners, L.P. (Richard Margulies, et al), pertaining to the sale of land within the Airport Business Park Urban Renewal Area. In addition, by Roll Call No. 96-3900, Council set the date of hearing on the proposed Urban Renewal Development Agreement for December 2, 1996.

On the agenda for December 2, 1996, are roll calls that:

1. Approve the Urban Renewal Plan and Tax Increment designation for the Airport Business Park ;
2. Approve first and final reading of the Tax Increment ordinances;
3. Approve the Urban Revitalization (tax abatement) Plan amendment; and
4. Approve the development agreement between the City and the developer, ABC Partners, L.P.

**FISCAL IMPACT —**

The total cost of TIF reimbursable public infrastructure improvements in the Airport Business Park is estimated at \$2,225,000. The cost estimate will serve as a not to exceed cap for City reimbursement to the developer. The Financial Condition Report for the Urban Renewal Plan projects that the costs will be fully reimbursed after 10 years. After taking into account three-year 100 percent tax abatement and reimbursement of eligible costs with TIF, the Airport Business Park is projected to provide approximately \$18.75 million (\$7.1 million - City share) in

new property tax revenue to the taxing jurisdictions after 20 years. At full development the Airport Business Park is projected to attain over \$50,000,000 of new development and 1,710 - 2,850 new jobs.

**RECOMMENDATION —**

Approval.

**BACKGROUND —**

Urban Renewal Board Recommendation

At its meeting of October 15, 1996, the Urban Renewal Board reviewed the proposed Urban Renewal Plan for the Airport Business Park Urban Renewal Project and the proposed Urban Renewal Development Agreement and recommended approval.

Consultation Meeting on Proposed TIF District

On November 14, 1996 a consultation meeting was held, as required under state law, to review the proposed Airport Business Park Urban Renewal Plan and Tax Increment designation with interested representatives from affected governmental entities. Representatives from Polk County and the Des Moines School District were in attendance. Subsequent to the meeting the City received written comments from the Polk County Manager regarding the proposed TIF designation for the Airport Business Park. The County's comments were in the form of a request for \$2,225,000 in TIF financing from the City to fund a portion of the \$18 million the County has committed for the relocated Highway 5 RISE project.

In a letter to the Polk County Manager, dated November 27, 1996, the City Manager advised the County he would recommend that the City Council not revise the proposed TIF expenditures for the Airport Business Park to allocate \$2,225,000 for the Highway 5 project.