



Agenda Item:

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COUNCIL COMMUNICATION City Manager's Office

GENERAL INFORMATION

Agenda Date: 03/07/05
No.: 05-110
Agenda Item Type: Resolution
No.:

Communication

Roll Call

Submitted by: Richard Clark, Deputy City Manager

SUBJECT—

Resolution Approving Correction to Urban Development Agreement with the Raccoon Valley Investment Company/Fleur Drive Commercial Urban Renewal Area

SYNOPSIS—

On the March 7, 2005 Council agenda is a roll call to approve a replacement page to the Urban Development Agreement between the City of Des Moines and the Developer, Raccoon Valley Investment Company (Michael Coppola, Partner, 4521 Fleur Dr./Des Moines), with the correct tax increment revenue percentages for payment to the developer. The corrected number will show 50% of the tax increment revenues available for payment to the developer in Years 11-15 of the Development Agreement rather than 25%.

FISCAL IMPACT—

This action has no change to the previously stated fiscal impact; the previous revenue projections, detailed in Council Communication No. 04-273, were based on a 50% payment to the developer for Years 11-15 of the Developer Agreement.

Council Communication 04-273 noted this tax increment district is on a cash-available basis with the amount of tax increment funding available based on property tax revenues produced by new development. The initial tax increment revenue projections, based on the developer's plans, show an increase of \$5-7 million in new commercial development within the next 3 years. Based on the preliminary developer agreement, the City will receive about \$530,000 in net new property tax revenues over the next ten years.

RECOMMENDATION—

Approval

BACKGROUND—

The Council previously approved the Development Agreement with the developer on June 7, 2004 by Roll Call No. 04-1236 after approval of the findings that the area constitutes a blight and an economic development area appropriate for redevelopment by Roll Call No. 04-1232, of the urban renewal and tax increment designations by Roll Call No. 04-1233 and Roll Call Numbers 04-1234 and 04-1235, respectively, also all on June 7, 2004.

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Location Map

