

 Council Communication Office of the City Manager	Date	September 24, 2007
	Agenda Item No. 65 Roll Call No. <u>07-</u> Communication No. <u>07- 579</u> Submitted by: Richard A. Clark, City Manager	

AGENDA HEADING:

Setting Date of Hearing and authorizing various related actions on the Beaverdale Commercial Area Urban Renewal Plan (11-19-07)

SYNOPSIS:

Approval of setting the date of public hearing for November 19, 2007 on the creation of a new urban renewal area and tax increment district for the Beaverdale commercial area along Beaver Avenue. The boundaries of this proposed 36-acre urban renewal area generally follow the commercially-zoned land on Beaver Avenue extending from Douglas Avenue on the north to the Beaver Crest Dr./Sheridan Ave. intersection on the south. A map of the boundaries is included in the Council Packet.

This action also directs that future actions be undertaken including the required tax increment consultation meeting, publication of the public hearing notice and referral to the Plan and Zoning Commission for review and recommendation on the conformance of the proposed urban renewal plan’s land uses with the City’s Comprehensive Plan. The action also directs the Urban Design Review Board to review the proposed plan and make its recommendation to the Council.

FISCAL IMPACT:

The tax increment funding (TIF) for this area will be disbursed on a cash-available basis. All development agreements using TIF assistance will be based on annual payments and the property tax revenues produced by new development. The specific developer agreements must be approved by the City Council. (See the “Additional Information” portion of this communication for proposed developer agreements.)

The Council has previously adopted a policy that the City may expend up to 75% of the annual aggregated tax increment revenues generated after January 1, 1996; the unexpended increment revenues will be available for distribution to the various property taxing entities. Based upon estimated TIF revenues from the Beaverdale Commercial Urban Renewal Area, an additional \$10,000 for the first year to \$88,000 in the final year would need to be allocated to other taxing entities from the overall TIF revenues derived from all urban renewal areas to meet this 75%/25% policy.

Funding Sources: Cash available from the TIF for ten years from FY08/09 to FY2017/2018; the estimated net annual cash available to the City ranges from about \$40,000 initially to about \$300,000 by FY2017/2018 after payments for the Joe’s Square and Rice property developments are made.

Other: State urban renewal law requires the provision of financial assistance to low/moderate income (LMI) housing, based on a specified percentage of LMI within a county when TIF is used for public improvements related to residential development in an economic development-based urban renewal area.

This provision does not apply to urban renewal areas that are designated on the basis of slum and blight. Since TIF may be used for such improvements in the Beaverdale Commercial Urban Renewal Area, the state-specified LMI of 39.7% will require an annual commitment for LMI housing in an amount ranging from about \$37,000-\$220,000 annually. The City will meet this State requirement within its annual allocation of discretionary funding to the Neighborhood Development Corporation, Neighborhood Finance Corporation, Polk County Housing Trust and/or Community Development Block Grant.

ADDITIONAL INFORMATION:

Duration

The urban plan and tax increment designation will extend for a period of ten years following the initial TIF certification. The purpose of designating this retail/commercial corridor as urban renewal areas is to encourage retail and commercial development. The concurrent TIF designation provides a funding source to assist public and private projects.

Development Requirements in the Urban Renewal Plan

The Beaverdale Urban Renewal Plan contains several development requirements that must be met by projects in order to qualify for use of TIF. These conditions are contained in Section II.C (General Development Requirements) of the Plan and have been generated in part to address the Council's previously stated desire for Beaverdale projects using City assistance to be "green":

All development projects in this urban renewal area requesting TIF assistance are required to undergo review and recommendation from the Urban Design Review Board. The design criteria the Board shall evaluate for making recommendations on design of projects requesting TIF are, but not limited to:

- How detail is handled on the individual project in terms of scale, proportion, color, articulation, massing, patterning, setbacks and exterior materials.¹ Details that add character and define depth by adding a richness to the large and small scale elements are desired.
- How the project promotes Beaverdale livability and works on a pedestrian scale by providing an attractive and appealing physical environment for residents and respects the neighborhood's character, design and historic features while creating attractive live/work/play environments.
- How sustainability is incorporated in the project building and site plans based on reducing environmental impact in the selection of construction materials and internal systems such as energy, lighting, heating and ventilation, siting and landscaping.
- How the project promotes efficient utilization of existing infrastructure and deployment of effective private stormwater management.

¹ EIFS ("Exterior Insulation and Finish System"), "synthetic stucco" and related exterior materials shall be permitted as a primary exterior material starting at a point 15 foot above grade and higher. Such materials may be used as an accent material starting at a point at least 5 foot above grade to reduce impacts from mowers, snowblowers, service vehicles, and other activities that will come in contact with the exterior walls. The use of synthetic stucco or related materials applied to masonry walls at grade level may be permitted under limited circumstances but such use is not encouraged.

- How the project advances accessibility with a choice of transportation options so functions can be easily reached from inside and outside the area through the installation of walkways, bike racks, bus stops, etc.

Development Agreements

Initial projections, based on the two proposed development plans (Joe's Square at 4049 Fagen Dr. and the former Rice School property at 3001 Beaver Ave.), show an increase of \$10-12 million in new commercial and residential assessments within the next 3 years. (A separate item on the September 24, 2007 agenda provides the terms and conditions of the proposed TIF assistance for the Rice project. Council Roll Call 07-1678 on August 20, 2007 approved preliminary terms and conditions of financial assistance for the Joe's Square project with TIF, if available, and otherwise, with other City funding.)

PREVIOUS COUNCIL ACTION(S):

Date: August 20, 2007

Roll Call Number: [07-1678](#)

Action: [Receive](#) and file communication from Office of Economic Development regarding preliminary terms of agreement with Joe's Square LLC for development of mixed-use project at Beaver Avenue and Fagan Drive. ([Council Communication No. 07-517](#)) Moved by Vlassis to receive, file and approve the preliminary terms of agreement as set forth in the accompanying Council Communication, and to direct the City Manager to proceed with negotiations of formal agreements with Joe's Square LLC consistent with the terms set forth in the accompanying Council Communication. Motion Carried 7-0.

Date: March 26, 2007

Roll Call Number: [07-579](#) thru [07-581](#)

Action: [On](#) request from Joe's Square, LLC, to rezone property at 4049 Fagen Drive from "C-2" (General Retail and Highway Oriented Commercial) to "NPC" (Neighborhood Pedestrian Commercial) to allow for mixed-use pedestrian-oriented redevelopment. Moved by Vlassis to adopt and approve the rezoning, subject to final passage of the rezoning ordinance. Motion Carried 7-0.

(A) [First](#) consideration of ordinance above. Moved by Vlassis that this ordinance be considered and given first vote for passage. Motion Carried 7-0.

(B) [Final](#) consideration of ordinance above, (waiver requested by applicant), requires 6 votes. Moved by Vlassis that the rule requiring that an ordinance must be considered and voted on for passage at two Council meetings prior to the meeting at which it is to be finally passed be suspended, that the ordinance be placed upon its final passage and that the ordinance do now pass, [#14,638](#).. Motion Carried 7-0.

Date: March 12, 2007

Roll Call Number: [07-455](#)

Action: [On](#) request from Joe's Square, LLC, to rezone property at 4049 Fagen Drive from "C-2" (General Retail and Highway Oriented Commercial) to "NPC" (Neighborhood Pedestrian Commercial)

to allow for mixed-use pedestrian-oriented redevelopment, (3-26-07). Moved by Mahaffey to adopt. Motion Carried 6-1.

Date: November 6, 2006

Roll Call Number: [06-2248](#)

Action: [Communication](#) from William J. Lillis requesting City Council to consider initiating a Tax Increment Financing (TIF) District in the Beaverdale area. SPONSORS: Coleman and Vlassis. Moved by Vlassis to refer to City Manager for review and recommendation. Motion Carried 6-0.

BOARD/COMMISSION ACTION(S): Plan and Zoning Commission

Date: March 1, 2007

Roll Call Number: N/A

Action: Plan and Zoning Commission recommends approval of a request from Joes's Square, LLC to rezone property located at 4049 Fagen Drive from "C-2" General Retail and Highway-Oriented Commercial District to "NPC" Neighborhood Pedestrian Commercial District to allow for a mixed-use pedestrian-oriented redevelopment of the property. Motion Carried 10-0.

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:

Urban Design Review Board to review the proposed urban renewal plan. (10-16-07)

The Plan and Zoning Commission to review the urban renewal plan's conformance with the City's Comprehensive Plan. (10-18-07)

Public Hearing on Beaverdale Commercial Area Urban Renewal Plan (11-19-07)