



**Council  
Communication**  
Office of the City Manager

**Date** May 19, 2008

**Agenda Item No.** 64B  
**Roll Call No.** 08-  
**Communication No.** 08-312  
**Submitted by:** Matthew A. Anderson,  
Economic Development Administrator

**AGENDA HEADING:**

Approving First Amendment to the Urban Renewal Development Agreement with Hubbell Realty Company and Hubbell Terminal Corporation for redevelopment of a portion of the former Pittsburgh Des Moines Steel site and certain adjacent properties.

**SYNOPSIS:**

Recommend approval of First Amendment to the Urban Renewal Development Agreement with Hubbell Realty Company and Hubbell Terminal Corporation (Rick Tollakson, President, 6900 Westown Parkway, West Des Moines, IA) for redevelopment of a portion of the former Pittsburgh Des Moines Steel site and certain adjacent properties. Because, under this proposed amendment, Hubbell would be required to commence construction of the first building within 9 months after the City accepts the completion of sewer work to separate the combined sanitary and storm sewer located in Murphy Street and abutting the property, staff recommends that the Urban Renewal Agreement be amended so that the time periods over which the Economic Development Grant would be paid reflect the time period in which Hubbell can construct and place a building in service.

**FISCAL IMPACT: NONE**

Amount: N/A

Funding Source: N/A

**ADDITIONAL INFORMATION:**

On November 21, 2005, by Roll Call No. 05-2793, the City Council approved an Urban Renewal Development Agreement with Hubbell Terminal Corporation (Rick Tollakson, President, 6900 Westown Parkway, West Des Moines, IA). Pursuant to the Agreement, Hubbell is to undertake remediation of environmental contamination on the former Pittsburgh Des Moines Steel site and redevelopment of a portion of the site and adjacent property. The agreement provides for an Economic Development Grant in 30 semi-annual installments, on December 1<sup>st</sup> and June 1<sup>st</sup> of each fiscal year, commencing on December 1, 2010, in an amount equal to 50% of the total ad-valorem taxes required to be paid in the preceding six months on the incremental value of the property above the base taxable value of the property established as of January 1, 2005.

The Agreement contemplated that Hubbell would be able to construct a building during calendar year 2008. The City has advised Hubbell that the City needs to complete a project to separate the combined sanitary and storm sewer located in Murphy Street abutting this property before Hubbell can connect a

building to the sanitary sewer system. The City does not expect this sanitary sewer project to be completed until December 2010 at the earliest. As a result, Hubbell will not be able to construct a building until at least 2010 or 2011, in which case it would not pay ad-valorem taxes on such improvements until at least September 2012 or September 2013. The City and Hubbell desire to amend the Urban Renewal Agreement to change the time periods over which the Economic Development Grant would be paid to reflect the time period in which Hubbell can construct and place a building in service.

The Amendment requires Hubbell to commence construction of the first building within 9 months after the City accepts the completion of the sewer work.

The amendment also expands the defined project area to include contiguous Hubbell-owned property at 510 SW 9<sup>th</sup> Street.

The current zoning of the development site requires buildings of no less than three floors. Hubbell will need to seek rezoning of the land to allow their proposed one-story flex space.

Hubbell has completed extensive demolition and environmental remediation on the former Pittsburg Des Moines Steel site and the property is now positioned for redevelopment pending completion of the public sewer improvements.

#### **PREVIOUS COUNCIL ACTION(S):**

Date: November 21, 2005

Roll Call Number: 05-2793

Action: Urban Renewal Development Agreement and Brownfields Cleanup Revolving Loan Fund (“BCRLF”) Agreement with Hubbell Realty Company and Hubbell Terminal Corporation for the redevelopment of a portion of the Riverpoint West area. (Council Communication No. 05-674) Moved by Hensley to adopt. Motion Carried 7-0.

#### **BOARD/COMMISSION ACTION(S): NONE**

#### **ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:**

Plan and Zoning Commission and City Council consideration of rezoning request to allow one-story flex space.

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