



Council Communication

Office of the City Manager

Date

December 22, 2008

Agenda Item No. 44
Roll Call No. 08-
Communication No. 08-754
Submitted by: **Matthew A. Anderson,**
Office of Economic Development

AGENDA HEADING:

Open/Close Public Hearing on the Adoption of the Ninth Amendment to the Metro Center Urban Renewal Plan and approve an economic development grant to the Civic Center of Greater Des Moines.

SYNOPSIS:

Request that Council open and close the public hearing on the Ninth Amendment to the Metro Center Urban Renewal Plan; and approve the urban renewal development agreement for \$500,000 for the improvements to the Civic Center of Greater Des Moines (221 Walnut St.).

Ninth Amendment to the Metro Center Urban Renewal Plan: This amendment provides the enabling language to permit use of tax increment finance revenues for the improvement of the Civic Center of Greater Des Moines (221 Walnut St.) and to allow for the potential acquisition and disposition of the block located between East Locust and East Walnut Street from E. 2nd to E 3rd St. (the former Bud Mulcahy Jeep dealership property) and to show such block as a potential alternative site for a mixed use development which may include municipal space and parking.

Approving this amendment does not commit the City to purchase the former Mulcahy property or to any further actions for the development this property. The actual purchase of this property will require specific Council approval after determination of its fair market value.

Civic Center Urban Renewal Development Agreement: This document provides the legal terms and conditions for the \$500,000 economic development grant assistance.

FISCAL IMPACT:

Amount: \$500,000 total expenditure with an annual grant allocation of \$100,000 for five years subject to Council approval of the Civic Center development agreement on the December 22, 2008 agenda.

Funding Source:

Civic Center: Metro Center Tax Increment Financing beginning in FY2009-10.

Acquisition: 2008-09/2013-14 Capital Improvements Program; Municipal Improvements, Page 9 (CP034 PKS990000)

ADDITIONAL INFORMATION:

Civic Center of Greater Des Moines (221 Walnut St.): The Council has previously approved a preliminary funding commitment of \$500,000 for the refurbishment and renovation of the Civic Center

of Greater Des Moines in September 2006. The building is more than 25 years old and in need of major updating and refurbishing. In order to be able to utilize tax increment revenues from the Metro Center Urban Renewal Area, an amendment to the urban renewal plan is required.

Designation of Acquisition Parcel 08-1 and Disposition Parcel 08-A: The Council previously approved the 2008-09/2013-24 Capital Improvements Program which indicated the potential acquisition of the property located between E. Locust and E. Walnuts Streets between E. 2nd and E. 3rd Streets, informally known as the former Bud Mulcahy Jeep dealership, as an alternative site for the possible future construction of a mixed use structured parking facility. The 9th Amendment designates this property as Acquisition Parcel 08-1 for acquisition-related activities and as Disposition Parcel 08-A for development-related activities. The future use of this property is shown for public and/or private development. The 9th Amendment allows the City to use tax increment funds for a mixed used parking structure on the former Mulcahy property but does not commit funds or require any expenditures.

PREVIOUS COUNCIL ACTION(S):

Date: November 10, 2008

Roll Call Number: 08-1962

Action: On Proposed 9th Amendment to the Metro Center Urban Renewal Plan to identify improvements to the Civic Center of Greater Des Moines as eligible for economic development grant assistance and designate a parcel of property generally located at 201 E. Locust for potential acquisition funded with tax increment revenues, (12-22-08). (Council Communication No. 08-675) Moved by Vlassis to adopt. Motion Carried 6-1.

Date: May 21, 2007

Roll Call Number: 07-1015

Action: On Proposed Eighth Amendment to the Metro Center Urban Renewal Plan. (Council Communication No. 07-284) Moved by Coleman to adopt. Motion Carried 7-0.

Date: April 9, 2007

Roll Call Number: 07-643

Action: On Proposed Eighth Amendment to the Metro Center Urban Renewal Plan, (5-21-07). Moved by Vlassis to adopt. Motion Carried 7-0.

BOARD/COMMISSION ACTION(S):

Date: December 2, 2008

Action: Urban Design Review Board recommended adoption of the proposed amendment.

Date: December 3, 2008

Action: Joint consultation with other taxing entities; no comments received.

Date: December 4, 2008

Action: Plan and Zoning Commission found the proposed amendment in conformance with the City's adopted land use plan.

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE

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