

 <p style="text-align: center;">Council Communication Office of the City Manager</p>	Date	May 18, 2009
	Agenda Item No. 42 Roll Call No. <u>09-</u> Communication No. <u>09-326</u> Submitted by: Matt Anderson, Economic Development Administrator	

AGENDA HEADING:

Resolution to Receive and File Preliminary Terms of Understanding with Cold Stream LLC (Andy Holt, 2659 Boyd Street, Des Moines, Iowa 50317; Tim Berardi, 3812 East 30th Street, Des Moines, Iowa 50317) for the development of a 50 acre light industrial business park at NE 46th Street and Hubbell Avenue.

SYNOPSIS:

Cold Stream, LLC is proposing development of a light industrial business park on a 50 acre parcel of land located at NE 46th Street and Hubbell Avenue. The development of Cold Stream Business Park will result in retention of existing jobs in the community, creation of new jobs and creation of new taxable valuation and infrastructure for the City of Des Moines.

An estimated \$2.7 million in infrastructure is needed to develop the business park. This cost includes sanitary sewer, water, storm sewer and street construction to serve nine lots, as well as a planned community geothermal system designed to significantly reduce energy costs to businesses locating in the park. Low impact stormwater management techniques designed to minimize erosion and protect water quality are also planned.

The terms of understanding include approval of the following actions:

- 1.) Pursue application for Revitalize Iowa’s Sound Economy (RISE) funds with the Iowa Department of Transportation (IDOT) for the RISE-eligible portion of project costs.
- 2.) Pursue creation of a new Enterprise Zone with the Iowa Department of Economic Development (IDED).
- 3.) Pursue application for the Iowa Office of Energy Independence funds for the planned community geothermal system.
- 4.) Pursue application for Iowa Watershed Improvement Review Board funds for stormwater management improvements and watershed enhancements.
- 5.) Continue review for development of an Urban Renewal Plan and a tax increment finance district for the purpose of rebating a portion of the infrastructure costs back to the developer, based on anticipated taxable valuation in the business park and the developer’s financial need.

FISCAL IMPACT:

Amount: To be determined through funding applications.

Funding Sources: Applications will be filed for IDOT RISE funds, Iowa Power Fund grant and a Watershed Improvement Review Board grant. The creation of an Enterprise Zone and a tax increment finance district are also under review.

ADDITIONAL INFORMATION:

Cold Stream Business Park will provide employment and tax base for the City of Des Moines, and bring activity to an area annexed into the City for development purposes. The Four Mile Interceptor Sewer was extended along the northern boundary of the 50 acre site, and will provide sanitary sewer service to the businesses locating in the park.

The Office of Economic Development has worked with Cold Stream, LLC to explore infrastructure funding opportunities through the IDOT, Iowa Office of Energy Independence, Mid American Energy, IDED, Iowa Department of Agriculture and the Iowa Watershed Improvement Review Board to facilitate the project.

A 120,000 square foot \$6 million building is planned as the first project in the park, and will house CFI Tire Service, a business specializing in agricultural, industrial and commercial tire sales. Wheel remanufacturing and retreading of rubber tracks are also components of the business. Additional businesses targeted for location in the park include a wholesale fountain company, commercial upholstery and other light industrial uses.

PREVIOUS COUNCIL ACTION(S):

Date: April 6, 2009

Roll Call Number: 09-574

Action: On request from Andy Holt to amend the Baker PUD Conceptual Plan, 4500 Hubbell Avenue, to reconfigure the layout of an approved Multiple-Family Residential Development to a Light Industrial Business Park with additional land reserved for future amendment. Moved by Mahaffey to adopt. Motion Carried 7-0.

Date: April 6, 2009

Roll Call Number: 09-575

Action: Recommendation from Plan and Zoning Commission regarding the amendment to the future land use designation from Low-Density Residential, Medium-Density Residential and Community Commercial to General Industrial. Moved by Mahaffey to adopt and approve the proposed amendment. Motion Carried 7-0.

Date: April 6, 2009

Roll Call Number: 09-576

Action: Receive, file and refer to the City Manager a letter from William Lillis and Joel Templeman. Moved by Mahaffey to receive, file and refer to the City Manager to review the potential of creating a TIF District and to submit an application for RISE funds. Motion Carried 7-0.

BOARD/COMMISSION ACTION(S):

Date: April 2, 2009

Roll Call Number: N/A

Action: Planning & Zoning Commission voted 9-0 to approve an amendment to the Des Moines' 2020 Community Character Plan revising all designations of Low Density Residential, Medium Density Residential and Community Commercial to General Industrial.

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:

Final consideration of Enterprise Zone, tax increment finance district, urban renewal agreement and third party financing sources.

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