

 <p style="text-align: center;"><b>Council Communication</b> Office of the City Manager</p>	<b>Date</b>	June 22, 2009
	<b>Agenda Item No.</b> 57A <b>Roll Call No.</b> <u>09-</u> <b>Communication No.</b> <u>09-426</u> <b>Submitted by:</b> Matt Anderson, Economic Development Administrator	

**AGENDA HEADING:**

Resolution to approve Preliminary Terms of Agreement with Cold Stream LLC, Andy Holt, 2659 Boyd Street, Des Moines, Iowa 50317 and Tim Berardi, 3812 East 30<sup>th</sup> Street, Des Moines, Iowa 50317, for the development of a \$3.5 million, 50 acre light industrial business park at NE 46<sup>th</sup> Street and Hubbell Avenue, and the construction of a \$13 million, 166,000 square foot building for CFI Tire, Inc., as the first business in the park.

**SYNOPSIS:**

Cold Stream, LLC has identified a financial gap in the amount of \$3.5 million to purchase land, construct public improvements and build the CFI Tire, Inc. building. Applications for an estimated total of \$1.6 million in outside funds will be applied for by the Office of Economic Development (OED), to assist the project. These funding applications and processes take time, therefore, the developer has requested that Council approve the preliminary terms of agreement prior to the application and approval of these outside funds. The developer is requesting creation of a tax increment financing (TIF) district, which could rebate the requested \$3.5 million back to the developer, over an eight to ten year period. As the outside funding sources are approved and received, they will reduce the \$3.5 million total. A minimum assessment agreement for the CFI building would be needed to ensure the ability to generate the level of increment required. The CFI building will be asked to forego tax abatement to make the project work.

**FISCAL IMPACT:**

Amount: \$3.5 million

Funding Sources: Tax increment financing through creation of a TIF district and minimum assessment agreement. Application for approximately \$1.6 million in outside funding sources, if awarded, including Revitalize Iowa’s Sound Economy (RISE), Iowa Power Fund and Iowa Department of Agriculture funds for watershed improvements, will be filed.

**ADDITIONAL INFORMATION:**

On May 18, 2009, by Roll Call No. 09-861, City Council approved proceeding with a series of actions related to Cold Stream Business Park, including creation of a TIF district and applications for outside funds to assist the project.

The business park will feature a planned community geothermal system, designed to significantly reduce energy costs to businesses locating in the park. Low impact storm water management techniques designed to minimize erosion and protect water quality, are also planned. These elements of the project

show leadership on the part of the developer to provide a sustainable environment and reduce energy costs to the businesses locating in the park. The CFI building will be a quality tilt-up concrete structure that combines the operations of three facilities currently owned by the company, which have all outgrown their current sites. The CFI site also provides for an additional 60,000 square feet of expansion in the future. Future development of the remaining lots will add more businesses to the park. It is not anticipated that tax increment financing will be utilized for these businesses.

The development of the business park and the CFI building will result in retention of existing jobs in the community, creation of new jobs and creation of new taxable valuation and infrastructure for NE Des Moines.

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

Date: May 18, 2009

Roll Call Number: 09-861

Action: Preliminary terms of understanding with Cold Stream, LLC for development of a 50-acre parcel at NE 46<sup>th</sup> Street and Hubbell Avenue as a light industrial business park. (Council Communication No. 09-326) Moved by Kiernan to receive, file and approve preliminary terms of understanding set forth in the accompanying Council Communication and to direct the City Manager to proceed with actions consistent with the terms set forth in the accompanying Council Communication. Motion Carried 6-1. Absent: Cownie.

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.

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: 09-574

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.

**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:**

Creation of an Urban Renewal Plan and TIF District, preparation of urban renewal development agreement, review of CFI building by Urban Design Review Board and applications for outside funding sources.

For more information on this and other agenda items, please call the City Clerk's Office at 515-283-4209 or visit the Clerk's Office on the second floor of City Hall, 400 Robert D. Ray Drive. Council agendas are available to the public at the City Clerk's Office on Thursday afternoon preceding Monday's Council meeting. Citizens can also request to receive meeting notices and agendas by email by calling the Clerk's Office or sending their request via email to [cityclerk@dmgov.org](mailto:cityclerk@dmgov.org).