

 <p style="text-align: center;">Council Communication Office of the City Manager</p>	Date	September 14, 2009
	Agenda Item No. 66 Roll Call No. <u>09-</u> Communication No. <u>09-626</u> Submitted by: Matt Anderson, Office of Economic Development	

AGENDA HEADING:

Open and close the public hearing on the Third Amendment to the Guthrie Avenue Business Park Urban Renewal Plan which extends the duration of the urban renewal plan to September 30, 2019.

SYNOPSIS:

The Third Amendment to the Guthrie Ave. Urban Renewal Plan extends the urban renewal plan and tax increment finance (TIF) designations to September 30, 2019; the current plan and TIF designation terminate on September 29, 2009.

FISCAL IMPACT:

Amount: Enables up to 65% of the annual cash available from the tax increment revenue to be used in the next 10 years to acquire the remaining 30 acres and prepare the property for redevelopment.

Funding Sources: Guthrie Avenue Business Park tax increment revenue.

ADDITIONAL INFORMATION:

Designation of Area:

In 1988, the Guthrie Avenue Industrial Park Development Area Urban Renewal Project was created for small to medium scale light industrial projects located in an area served by railroad, directly west of I-235 and near the junction of Interstates 35 and 80. The area was characterized by numerous salvage yards and significant amounts of blighted and vacant space.

Redevelopment has been directed to providing reasonably priced sites for sale to owner-operators of small and mid-sized businesses. With the area's proximity to the interstate system and M-1 zoning, it has strong appeal to businesses that could have otherwise located outside of Des Moines. Its orientation to owner-operators of businesses serves a market niche not being addressed by the City. Significant new redevelopment includes Moss Distribution, Library Binding Services (now known as LBS), Central Wire and Iron and Nesbit Distribution, now operated by Doll Distributing LLC.

The Guthrie Avenue urban renewal project has provided public funds, through tax increment financing as well as other federally-funded grants, to provide needed infrastructure and purchase property for redevelopment to leverage new private redevelopments. These new businesses have increased the area's property assessments from about \$3 million in 1988 to over \$37 million today with about 700 jobs created or retained.

Remaining City Activities:

The urban renewal plan provides for acquisition of almost all of the properties in this area due to their blighted condition or single-family use which is not appropriate in this M-zoned area.

As of today, about 2/3 of the properties in the urban renewal area have been purchased by the City and sold for private redevelopment; approximately 18 acres remain to be purchased and sold for redevelopment.

The Engineering Department has provided estimates for the acquisition and related activities totaling between \$5-6 million; the source of funding for these activities is tax increment funding.

PREVIOUS COUNCIL ACTION(S):

Date: August 10, 2009

Roll Call Number: 09-1444

Action: On Proposed Third Amendment to Urban Renewal Plan for the Guthrie Avenue Business Park Urban Renewal Area extending to September 30, 2019, (9-14-09). (Council Communication No. 09-560) Moved by Hensley to adopt. Motion Carried 7-0.

Date: July 27, 2009

Roll Call Number: 09-1381

Action: On Amendment of Urban Renewal Development Agreement, Declaration of Covenants and Special Warranty Deed for conveyance of Disposition Parcel 28A in Guthrie Avenue Business Park to Doll Distributing (to amend legal description). (Council Communication No. 09-514) Moved by Mahaffey to adopt. Motion Carried 7-0

This is the most recently-sold property in the Guthrie Avenue Business Park Urban Renewal Area; there have been numerous previous roll calls for sale of land for redevelopment in the urban renewal area.

Date: September 26, 1988

Roll Call Number: 88-5958

Action: Adopt Urban Renewal Plan for Guthrie Ave. Business Park
This urban renewal plan has been amended twice since its adoption.

Date: December 18, 1989

Roll Call Number: 89-5201

Action: Designate Guthrie Ave. Business Park Urban Renewal Area as tax increment finance district.

BOARD/COMMISSION ACTION(S):

Date: August 17, 2009

Roll Call Number: N/A

Action: Tax increment consultation meeting held; no written or oral comments have been received.

Date: August 18, 2009

Roll Call Number: N/A

Action: Urban Design Review Board recommended approval of the proposed urban renewal plan amendment.

Date: August 20, 2009

Roll Call Number: N/A

Action: Plan and Zoning Commission found the amendment to the urban renewal plan to be in conformance with the City's adopted Comprehensive Plan.

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE

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