

 <p style="text-align: center;">Council Communication Office of the City Manager</p>	Date	December 21, 2009
	Agenda Item No. 20 Roll Call No. <u>09-</u> Communication No. <u>09-881</u> Submitted by: Matthew Anderson, Economic Development Administrator	

AGENDA HEADING:

Actions relating to creation of an urban renewal/ tax increment finance plan for the NE Hubbell Avenue Corridor area.

SYNOPSIS:

This agenda item provides for the preparation of an urban renewal and tax increment financing (TIF) plan for the NE Hubbell Avenue Corridor area.

Significant opportunities to revitalize economic viability and promote future private investment exist in the NE Hubbell Avenue Corridor area. It is the primary northeast gateway corridor into the City of Des Moines, with connection to the Highway 65 Bypass/Interstate 80 and to the acres incorporated into the City through the 2009 annexation. Strong private investment has been achieved in this region, and the City has the ability to capture additional private investment for the benefit of the East Side and the City of Des Moines. The creation of an urban renewal/tax increment finance plan is recommended to assist in facilitating economic development and creating a future resource to assist with public improvement projects in this area.

FISCAL IMPACT:

The creation of an urban renewal area and TIF plan for economic development for the NE Hubbell Avenue Corridor Area can provide a source of funding for public and private improvements. Public improvements would typically include sanitary sewer, street and stormwater infrastructure, streetscape improvements, green infrastructure and sidewalk and trail amenities. Private improvements would typically include the construction of new public streets, utilities and recreational amenities, and new buildings and facilities for commercial, residential or light industrial use, generating new taxable valuation and jobs for the community.

Based on 2009 assessments, the base value of the proposed TIF area will be determined. Annual tax increment revenues for this area will be estimated using an anticipated increase in value between 1.5-2% per year.

ADDITIONAL INFORMATION:

In May 2009, the City Council approved review of the development of an Urban Renewal Plan and a TIF district for a 50 acre parcel on NE Hubbell Avenue that was proposed for a light industrial business park. Further evaluation and review of the area’s potential prompted expansion of the originally proposed

acres, promoting additional economic investment and creating a broader resource for the City of Des Moines.

The Hubbell Avenue corridor carries approximately 14,000 plus vehicles per day, and is strategically connected to regional transportation systems. The proposed area includes land generally bounded by Hubbell Avenue, Interstate 80 and the Highway 65 Bypass, and includes an estimated 350-400 acres. Public investment in the vicinity includes the Four Mile Trunk Sanitary Sewer, and an Iowa Department of Transportation resurfacing project is planned for 2014. Opportunities will be explored to coordinate streetscape enhancements for the area in conjunction with the road improvements. Land for future business parks and commercial development is included in the proposed area, along with several existing sites that are in need of rehabilitation and reinvestment. A mix of land uses exist along the frontage to the corridor, including single family residential, miscellaneous light industrial and commercial business, vacant parcels, and a 77,000 square foot vacant warehouse that formerly housed a furniture business.

Several of these properties have seen a decrease in economic viability, there is no cohesion of land uses or sense of place through the corridor, and private reinvestment has occurred to a more significant degree to the east of the City limits. The ability to maximize the potential of this area to promote development and reinvestment for the City of Des Moines will be greatly assisted by the creation of meaningful economic development tool. An urban renewal/TIF plan will allow for a full analysis of the area's potential, the setting of positive short and long term goals, and the ability to create a definitive and comprehensive plan to assist in achieving the greatest possible benefit to citizens and businesses.

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 46th 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.

BOARD/COMMISSION ACTION(S): NONE

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:

Upon Council receipt of the proposed urban renewal plan and TIF District, the Council will direct these documents to the Urban Design Review Board, Plan & Zoning Commission and to the tax consultation entities as required by law. Informational meetings will be held with the Northeast Neighbors, and the Douglas Acres and Fairmont Park neighborhood organizations.

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.