

 <p style="text-align: center;">Council Communication Office of the City Manager</p>	Date	April 26, 2010
	Agenda Item No. 27 Roll Call No. <u>10-</u> Communication No. <u>10-233</u> Submitted by: Matt Anderson, Economic Development Administrator	

AGENDA HEADING:

Set date of hearing and related actions for the creation of an urban renewal/tax increment finance (TIF) plan for the NE Economic Development District Urban Renewal Area.

SYNOPSIS:

Approval of setting the date of public hearing for June 14, 2010, on the creation of an urban renewal area and TIF plan for the NE Economic Development District area along NE Hubbell Avenue and Highway 65/Interstate 80. The boundaries of this proposed 766 acre urban renewal area generally follow the land on NE Hubbell Avenue from about East 40th Street eastward to the Des Moines corporate boundary at Highway 65, and along Highway 65 northward from approximately NE Aurora Avenue to Interstate 80. A map of the proposed boundaries is attached to the Roll Call.

It also includes that additional related actions be undertaken, as follows:

1. Publication of the June 14, 2010 public hearing notice by the City Clerk’s Office,
2. Referral of the proposed plan to the Planning & Zoning Commission for review and recommendation on the conformance of the proposed plan with the Comprehensive Plan,
3. Referral of the proposed plan to the Urban Design Review Board for review and recommendation, and
4. Required consultation meeting to be held with area taxing entities.
5. Seek consent from the owners of all agricultural land for the inclusion of such land in the urban renewal area.

FISCAL IMPACT:

Based on 2009 assessments, the base value of the proposed TIF district will be approximately \$37 M. To have a general estimate of anticipated revenues, an increase in taxable valuation of 1.5% per year will be used.

The TIF for this area will be prioritized for use on public infrastructure projects and land development activities that will facilitate private sector investment in commercial development, and allow new taxable valuation to be created for the City of Des Moines. It is planned that future development agreements for this area will be organized around this premise, with the goal of having the private sector upfront infrastructure costs, with potential for a portion of such costs to be reimbursed from the resulting incremental taxes. There will be an ability to evaluate the financial condition of each proposed project, and its positive impact to the citizens of Des Moines in the form of business development, services and employment. All individual development agreements must be reviewed and approved by the City Council.

ADDITIONAL INFORMATION:

The proposed area for the urban renewal plan and TIF district is shown on the map attached to the Roll Call. The area includes the Hubbell Avenue Corridor, which is a gateway to the City of Des Moines from the NE city limits, carrying approximately 15,000 vehicles per day, and connecting to Highway 65. The corridor has developed over decades without a planned vision, and the resulting land uses include a mix of vacant parcels and buildings, single family housing, light industrial businesses, partially improved properties and commercial sites. Several large tracts of land along Hubbell Avenue and Highway 65 were annexed into the City in 2009, and are also included in the plan boundary. There is an opportunity to incorporate both vacant undeveloped land and the areas in need of revitalization in this plan. There exists a great need to see new economic investment in this area, in the form of both new business growth and revitalization of underutilized sites and buildings. This new investment should be leveraged with strategic use of public resources, including TIF, infrastructure and transportation improvement grants and collaboration with other public entities where those opportunities may exist.

Existing Hubbell Avenue Sites



The proposed duration of the plan will be 20 years, with the intent being to encourage and facilitate new economic development within the area. The creation of an urban renewal area and TIF plan for economic development for the NE Economic Development District 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.

The proposed urban renewal area includes agricultural land. Agricultural land cannot be included in the urban renewal area without the owners' consent. Staff will be meeting with the owners of the agricultural land to seek their consent. The boundaries of the proposed urban renewal area must be adjusted prior to the public hearing to exclude any agricultural land for which such consent is not obtained.

Current zoning and proposed land use maps are included. The proposed uses of land for the area include planned business park development, highway commercial, general industrial and medium density residential. Future needs for the Hubbell Avenue corridor will include access management, additional traffic signals, pedestrian connectivity, stormwater management and entranceway enhancements. Infrastructure needs to facilitate new investment will include extension of sanitary sewer. There is an ability to proactively structure the urban renewal plan and TIF district to respond to both the redevelopment and infrastructure needs and the new development opportunities, providing reinforcement to prior investment in sanitary sewer and water and continuation of planning efforts in conjunction with the 2020 Community Character Plan.



Development Sites along Hubbell Avenue and Highway 65

Meetings will be held prior to the City Council public hearing to review the proposed plan with the Planning & Zoning Commission, Urban Design Review Board and area taxing entities. Correspondence will also be provided to property owners in the plan area so that they may have an opportunity to review the proposed plan.

PREVIOUS COUNCIL ACTION(S):

Date: December 21, 2009

Roll Call Number: 09-2278

Action: Regarding the designation of NE Hubbell Avenue Corridor Area as an Urban Renewal Area and Tax Increment Financing (TIF) district, and the preparation of an Urban Renewal Plan for such area to finance needed public improvements and to facilitate redevelopment of the area. (Council Communication No. 09-881) Moved by Hensley to receive and file the Council Communication and to authorize the City Manager to prepare an Urban Renewal Plan and related information and documents in general accordance with the Council Communication. Motion Carried 7-0.

BOARD/COMMISSION ACTION(S): NONE

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:

The Planning and Zoning Commission and Urban Design Review Board will review the proposed urban renewal plan and TIF district at their respective meetings in May. The taxing entities consultation will be coordinated by the Office of Economic Development in May.

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.