

 <p style="text-align: center;">Council Communication Office of the City Manager</p>	Date: August 9, 2010
	Agenda Item No. 52 Roll Call No. <u>10-1318</u> Communication No. <u>10-489</u> Submitted by: Matt Anderson, Economic Development Administrator

AGENDA HEADING:

Continue public hearing for the creation of an urban renewal/tax increment finance (TIF) plan for the NE Economic Development District Urban Renewal Area.

SYNOPSIS:

Approval of continuing the public hearing to September 27, 2010, on the creation of an urban renewal area and TIF plan for the NE Economic Development District area along NE Hubbell Avenue and Iowa Highway 65/Interstate 80. The boundaries of this proposed urban renewal area generally follow the land on NE Hubbell Avenue from about East 40th Street eastward to the Des Moines corporate boundary at Iowa Highway 65, and along the west side of Iowa Highway 65 northward from approximately NE Aurora Avenue to Interstate 80.

FISCAL IMPACT:

Amount: Based on 2009 assessments, the base value of the proposed TIF district will be approximately \$37 million. 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 infrastructure costs upfront, 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 included with the draft plan. 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 storm water infrastructure, streetscape improvements, green infrastructure, watershed planning and management 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 has been 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, storm water 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 have been held to review the proposed plan with the Planning & Zoning Commission, Urban Design Review Board and area taxing entities. All entities have approved the proposed plan and provided comments which have been incorporated into the plan draft. The Sheridan Gardens and Brook Run Neighborhood Associations have also reviewed the proposed plan and provided input and positive comments regarding the economic development opportunities for this area. Conversation and review with agricultural landowners to obtain their consent are underway.

PREVIOUS COUNCIL ACTION(S):

Date: June 14, 2010

Roll Call Number: 10-958

Action: On proposed Urban Renewal/Tax Increment Finance (TIF) Plan for NE Economic Development District Urban Renewal Area. ([Council Communication No. 10-358](#)) Moved by Mahaffey to continue the public hearing until August 9, 2010 at 5:00 P.M. Motion Carried 6-1. Absent: Coleman.

Date: April 26, 2010

Roll Call Number: 10-607

Action: On proposed Urban Renewal/Tax Increment Finance (TIF) Plan for NE Economic Development District Urban Renewal Area, (6-14-10). ([Council Communication No. 10-233](#)) Moved by Coleman to adopt. Motion Carried 7-0.

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):

Date: May 20, 2010

Roll Call Number: N/A

Action: Planning & Zoning Commission moved staff recommendation to approve Part A) The proposed amendments to the future land use designations in the Des Moines' 2020 Community Character Plan and Part B) To find the NE Economic Development District Urban Renewal Plan in conformance with an amended Des Moines' 2020 Community Character Plan based on the recommended changes to future land use designations.

Date: May 18, 2010

Roll Call Number: N/A

Action: Urban Design Review Board reviewed the proposed NE Economic Development District Urban Renewal Plan and provided comments to include 1) opportunities to ensure that the area can develop into a well planned and quality district; 2) an ability to coordinate planning efforts for walkability and sustainability; 3) an ability to lead with green infrastructure and low impact development planning with the proximity to Four Mile Creek; 4) inclusion of design standards; 5) recommend that additional planning be conducted with the Urban Renewal plan adoption to achieve the best results for the development of this area and incorporate comments 1-4.

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:

Hold Council public hearing for proposed plan and Council final adoption of plan.

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