

 <p style="text-align: center;">Council Communication Office of the City Manager</p>	Date: September 27, 2010
	Agenda Item No. 49 Roll Call No. <u>10-1596,1597,1598,1599</u> Communication No. <u>10-599</u> Submitted by: Matt Anderson, Economic Development Administrator

AGENDA HEADING:

Items regarding creation of an urban renewal area/tax increment finance (TIF) plan for the NE Economic Development District Urban Renewal Area.

SYNOPSIS:

On the September 27, 2010 agenda, there are several roll calls relating to the creation of a new urban renewal and tax increment area for the NE Economic Development District. 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 Highway 65 northward from approximately NE Aurora Avenue to midway between Broadway Avenue and Interstate 80. A map of the proposed boundaries is included with the roll calls.

The roll calls are:

1. Receive and file communication from the Planning & Zoning Commission finding the Urban Renewal Plan to be in conformance with the Des Moines 2020 Community Character Plan.
2. Receive and file communication from the Urban Design Review Board providing recommendations for the Urban Renewal Plan.
3. Resolution of Necessity finding the NE Economic Development District Urban Renewal Area as appropriate for designation as an economic development area.
4. Resolution to Amend the 2020 Community Character Plan Future Land Use Map designations
5. Resolution closing hearing on the proposed NE Economic Development District Urban Renewal Plan and adopting the same.
6. First reading of tax increment financing ordinance for above.

FISCAL IMPACT:

The urban renewal plan and tax increment designation will extend for a period of twenty years following the initial TIF certification. The purpose of designating this area as an urban renewal area is to encourage new economic investment and business development. The concurrent TIF designation provides a funding source to assist public and private projects.

The urban renewal area plan has been projected using very conservative estimates of growth in valuation. The estimated net annual cash available to the City of Des Moines begins at about \$26,000 initially, and is anticipated to increase at a rate of 1.5 % per year. Additional growth forecast for this area would have the ability to increase this annual rate, which is based on the current valuation.

ADDITIONAL INFORMATION:

City Council approved the creation of an urban renewal plan for the NE Economic Development District in December 2009, with the goals of facilitating economic investment in the area, providing for the revitalization of the Hubbell Avenue Corridor and promoting the inclusive planning and future development of acres annexed into the City of Des Moines in 2009. Staff proceeded with the creation of the urban renewal plan, meeting with city departments and area taxing entities, and providing the plan for review to the Plan & Zoning Commission and Urban Design Review Board. In addition, staff has presented the plan to the Brook Run Neighborhood Association and the Sheridan Gardens Neighborhood Association for input. Positive feedback has been provided, and the plan has received the support of these entities.

By State of Iowa Code, the City of Des Moines is also required to obtain the approval of agricultural landowners if their property is to be included in the plan boundary. Approximately one dozen properties in the originally proposed boundary are classified as agricultural. Staff initiated conversation with these owners several months ago, and has worked to explain the purpose of the plan, the desire to promote quality economic investment over the course of the plan's 20 year time frame and to respond to questions the property owners have had regarding the plan and economic development in general.

The conversations have been an opportunity for communication and for working to produce a plan that recognizes and responds to the unique landscape that exists in this area. The NE Economic Development District is a combination of a variety of components: the major arterial of Hubbell Avenue, the prominent visibility and significant traffic counts on Interstate 80/ Purple Heart Highway 65, existing vacant buildings and sites in need of revitalization and undeveloped agricultural land. Assessment of the current taxable valuation and the projected growth for the area prompted the staff recommendation that the best plan is one that includes all of these components, using new valuation and resources to reinvest in the area. However, it is also recognized that most successful plans are a collaborative product of both technical elements and public support. Therefore, staff's goal has been to receive approval of all the agricultural owners, and these conversations are ongoing.

It is recommended that Council approve the plan as presented to further allow for the plan's goals and objectives. An amendment will be brought forward at a future date to include additional property within the NE Economic Development District boundary at the conclusion of conversations with landowners.

PREVIOUS COUNCIL ACTION(S):

Date: April 26, 2010

Roll Call Number: 10-607

Action: Setting Date of Hearing [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 18, 2010

Roll Call Number: N/A

Action: The Urban Design Review Board reviewed and commented on the proposed plan.

Date: May 20, 2010

Roll Call Number: N/A

Action: The Plan & Zoning Commission reviewed the proposed plan for conformance with the 2020 Community Character Plan.

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:

Council will continue readings of the TIF ordinance.

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