

 <div style="text-align: center;"> <h1 style="margin: 0;">Council</h1> <h1 style="margin: 0;">Communication</h1> <p style="margin: 0;">Office of the City Manager</p> </div>	<b>Date:</b> November 19, 2012
	<b>Agenda Item No.</b> 29 <b>Roll Call No.</b> <u>12-1780</u> <b>Communication No.</b> <u>12-589</u> <b>Submitted by:</b> Phillip Delafield, Community Development Director

## AGENDA HEADING:

Second Reading regarding rezoning of property at 4312, 4282, 4250 and 4216 E. 50th Street from Limited “M-1” (Light Industrial) to “R-3” (Multiple-Family Residential) to allow development of up to 200 residential apartments. The subject property is owned by Hubbell Properties II, LC, represented by Steve Niebuhr.

## SYNOPSIS:

The Community Development Department and Traffic and Transportation Division recommend that the extension of Aurora Avenue east of NE 46<sup>th</sup> Street as a residential collector street is imperative for future development of over 200 acres of land located north of Douglas Avenue, south of Broadway Avenue, and east of NE 46<sup>th</sup> Street, including development of the subject property for multi-family residential purposes. Preliminary estimates for the cost to construct Aurora Avenue from NE 46<sup>th</sup> Street to the east boundary of the Hubbell Broadway Business Park (approximately 2,600 lineal feet total) are between \$2.1 million and \$3.2 million. It is assumed that a minimum of \$1.05 million to \$1.6 million of cost would be the City’s responsibility for construction of Aurora Avenue from NE 46<sup>th</sup> Street to the east edge of the Summersfield PUD (approximately 1,300 lineal feet of roadway). No money is currently budgeted in the CIP for this construction.

Two drawings showing alternate conceptual alignments for the extension of Aurora Avenue east of the Summersfield PUD are attached to the roll call.

Alignment Option 1 would result in a direct east-west alignment for Aurora Avenue and two or more benefited property owners (including Hubbell Properties II, L.C.) sharing the cost to extend Aurora Avenue east of Summersfield PUD. Assuming that right-of-way is acquired or dedicated, the construction cost could be shared through a multi-party construction contract or via City assessment. No single-family lots would require direct driveway access from Aurora Avenue and the roadway would provide a buffer between existing light industrial, planned industrial or multiple-family residential uses and planned single-family residential uses.

Alignment Option 2 would assign the responsibility of constructing Aurora Avenue east of the Summersfield PUD to a single property owner (Nelson Family Farm or their successor) at the time that property is developed. In order to avoid costs of a single-loaded street, Aurora Avenue would veer to the south and a row of approximately 18 single-family lots would be platted on the north side of Aurora Avenue. These lots would require driveway access from Aurora Avenue and would directly adjoin existing and planned light industrial or multiple-family residential uses.

Staff recommends that the City pursue Alignment Option 1 based on the potential for cost sharing among benefited property owners; elimination of the need for residential driveway access from Aurora Avenue; and utilization of the roadway as a buffer between uses of varying intensity. Representatives of Hubbell Development have indicated that the multi-family residential project is not feasible if Hubbell is required to

pay for any portion of the costs to develop Aurora Avenue. They have noted that the current proposal will result in a \$15 million dollar investment on property that is currently being assessed as agricultural land and generating less than \$500 in property tax revenue per year. Staff notes that the subject property is platted and zoned for light industrial use which would currently be taxed at 100% of assessed value; the owner was paying nearly \$36,000 in property taxes per year between September 2007 and September 2010 prior to a reclassification and revaluation review in April 2009; if developed, this property will be taxed as residential based upon a condominium regime for multi-family rental units; if developed, it will receive 5-year, 100% tax abatement for multi-family residential use; and if developed, at least ½ of the units are proposed to be funded with Low Income Housing Tax Credits. Without the extension of Aurora Avenue east of the Summersfield PUD and connection to NE 50<sup>th</sup> Street, the proposed multi-family project will be isolated from the surrounding transportation network and fire/emergency services. It will overload the existing transportation system by forcing residents of nearly 200 multi-family units and industrial users to share access to the surrounding street network at the non-signalized intersection of NE 50<sup>th</sup> Street and NE Broadway Avenue.

A plan for financing and construction of Aurora Avenue as a residential collector street east of NE 46<sup>th</sup> Street should be a mandated part of the rezoning. Such a plan would include an agreement by Hubbell Properties II, L.C. to dedicate a portion of the necessary right-of-way and to share in a proportionate cost to extend Aurora Avenue along the southern boundary of the Hubbell Broadway Business Park via construction or future assessment. In the absence of such a plan, staff recommends denial of the requested rezoning.

#### **FISCAL IMPACT:**

Amount: Estimated \$2.1 to \$3.2 million of unfunded roadway improvements.

Funding Source: To be determined.

#### **ADDITIONAL INFORMATION: NONE**

#### **PREVIOUS COUNCIL ACTION(S):**

Date: November 5, 2012

Roll Call Number: [12-1721](#), [12-1722](#) and [12-1723](#)

Action: (A) [Amend](#) the Des Moines 2020 Community Character Plan future land use designation from Planned Business Park to Medium-Density Residential, (Plan and Zoning Commission motion failed due to lack of the required 7 affirmative votes. Requires 6 votes for approval). Moved by Mahaffey to adopt the proposed amendment. Motion Carried 7-0.

(B) [Hearing](#) on rezoning of the property from Ltd. "M-1" (Light Industrial) to "R-3" (Multiple-Family Residential) to allow development of up to 200 residential apartments. (Requires 6 votes for approval.) Moved by Mahaffey to adopt and approve the rezoning, subject to final passage of the rezoning ordinance; refer to the City Manager to work with the developer regarding the extension of Aurora Avenue to the east, and to report back at the second consideration on November 19<sup>th</sup>. Motion Carried 7-0.

(C) [First](#) consideration of ordinance above. (Requires 6 votes for approval.) Moved by Mahaffey that this ordinance be considered and given first vote for passage. Motion Carried 7-0.

Date: October 22, 2012

Roll Call Number: [12-1610](#)

Action: [On](#) request from Hubbell Properties II, LC (owner) represented by Steve Niebuhr (officer) to rezone property at 4312, 4282, 4250, and 4216 E. 50th Street from Limited “M-1” (Light Industrial) to “R-3” (Multiple Family Residential) to allow development of up to 200 residential apartments, (11-5-12). Moved by Mahaffey to adopt. Motion Carried 7-0.

**BOARD/COMMISSION ACTION(S): NONE**

**ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:**

If the requested zoning is denied, schedule and hold hearing to Amend 2020 Community Character Plan Designation to Planned Industrial.

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](mailto:cityclerk@dmgov.org).