

 <p style="text-align: center;">Council Communication Office of the City Manager</p>	Date:	June 10, 2013
	Agenda Item No.	31
	Roll Call No.	<u>13-907</u>
	Communication No.	<u>13-296</u>
	Submitted by:	Matthew A. Anderson, Assistant City Manager

AGENDA HEADING:

Approving a Business Assistance Application to the Iowa Economic Development Authority for the Helena Industries expansion project at 3525 Vandalia Road.

A. Setting the date of public hearing on a request from Helena Industries, Inc. to rezone property at 3523 Vandalia Road from Planned Unit Development (PUD) to M-2 Heavy Industrial for Monday, June 24, 2013, at 5 pm.

SYNOPSIS:

Helena Industries, Inc., Troy Hugen, Plant Manager, Helena Industries, Inc., 3525 Vandalia Road, P.O. Box 5004, Des Moines, Iowa 50306, finalized purchased of 30 acres of City owned land in February 2013, and is now moving forward with a \$4.7 million expansion to their regional office and industrial campus at 3525 Vandalia Road. The Iowa Economic Development Authority (IEDA) has invited Helena Industries to submit an application for State business assistance for the expansion project. The State assistance is proposed to consist of an estimated \$83,000 investment tax credit and \$100,000 in anticipated State sales, service and use taxes on the project. A local match for the requested State assistance will be provided through the \$168,000 economic development grant approved by Council by Roll Call No. 13-0344 on February 25, 2013 and by the provision of a five (5) year graduated industrial tax abatement under Chapter 427 B of the Iowa Code.

The Office of Economic Development is recommending approval of the application to IEDA.

FISCAL IMPACT:

Amount: There is no new fiscal impact associated with this action. The already approved \$168,000 Economic Development Grant will serve as City match for State of Iowa assistance awarded to the project.

Funding Source: The Economic Development Grant will be funded by tax increment revenues generated by the Helena Industries planned 100,000 square foot expansion project in the SE Agribusiness Urban Renewal Area.

ADDITIONAL INFORMATION:

Helena Industries purchased 30 acres of City-owned land located south of Vandalia Road, west of SE 43rd Street and east of SE 30th Street in the SE Agribusiness Urban Renewal Area, directly adjacent to the current Helena Industries contract chemical manufacturing campus. The 30 acres was purchased

for \$450,000 and will provide Helena Industries the ability to remain in the City of Des Moines, retain existing jobs, and be competitive for future growth opportunities, including a \$4.7 million expansion project scheduled to begin in summer 2013. An economic development assistance grant of \$168,000, to be paid over five (5) years with new tax increment generated by the project, following any tax abatement schedule the project may be eligible for, will assist the company with extraordinary site development costs associated with flood hardening measures for the expansion project.

The Helena Industries expansion project is consistent with the vision for the SE Agrimergent Business Park Plan, adopted for this area by City Council in 2001 to guide new investment in agribusiness, manufacturing, technology, bioscience and other industries. The proposed expansion project was reviewed and approved by the Urban Design Review Board and the Good Neighbor Task Force, a group of residents and businesses located in the vicinity of the SE Agribusiness area. As part of a 28E Agreement between the City and Des Moines Water Works, the sale of this land was also approved by the Des Moines Water Works Board of Trustees.

PREVIOUS COUNCIL ACTION(S):

Date: February 25, 2013

Roll Call Number: [13-0344](#)

Action: [Conditionally](#) approving Urban Renewal Agreement for the sale of real estate to Helena Industries, Inc., for an expansion of its regional office and industrial facility at 3525 Vandalia Road. ([Council Communication No. 13-104](#)) Moved by Meyer to adopt. The City Council encourages the Des Moines Water Works to hold a special meeting to approve the agreement. Motion Carried 6-1. Absent: Coleman.

Date: January 28, 2013

Roll Call Number: [13-0162](#)

Action: [Conditionally](#) approving Urban Renewal Agreement for the sale of real estate to Helena Industries, Inc., for an expansion of its regional office and industrial facility at 3525 Vandalia Road, and to continue to February 25, 2013 at 5:00 PM. (Continued from January 14, 2013) ([Council Communication No. 13-035](#)) Moved by Meyer to continue the public hearing until February 25, 2013 at 5:00 PM. Motion carried 7-0.

Date: December 17, 2012

Roll Call Number: [12-1968](#)

Action: [On](#) proposed Urban Renewal Agreement for the sale and redevelopment of 30 acres south of the 3600 block of Vandalia Road to Helena Industries, Inc. ([Council Communication No. 12-624](#)). Moved by Meyer to continue the public hearing until January 14, 2013 at 5:00 PM. Motion Carried 7-0.

Date: December 3, 2012

Roll Call Number: [12-1837](#)

Action: [On](#) proposed Urban Renewal Agreement with Helena Industries, Inc. for the sale and redevelopment of 30 acres, south of the 3600 block of Vandalia Road, (12-17-12). ([Council Communication No. 12-599](#)). Moved by Hensley to adopt. Motion Carried 7-0.

Date: August 29, 2011

Roll Call Number: [11-1536](#)

Action: [Approving](#) preliminary terms for sale of property in the Southeast Agribusiness Urban Renewal Area to Helena Industries, Inc. Sponsor: Council Member Meyer. ([Council Communication No. 11-570](#)). Moved by Meyer to adopt. Motion Carried 7-0.

Date: April 20, 2009

Roll Call Number: [09-695](#)

Action: [Resolution](#) to receive and file a proposal from Helena Industries to purchase land in the SE Agrimergent Business Park and refer to City Manager for further review and negotiation. ([Council Communication No. 09-232](#)). Moved by Meyer to receive and file. Motion Carried 7-0.

BOARD/COMMISSION ACTION(S):

Board: Urban Design Review Board

Date: December 4, 2012

Resolution Number: N/A

Action: Motion to approve as presented by Rypma. Seconded by Allen. Motion carried.

Board: Good Neighbor Task Force

Date: December 10, 2012

Resolution Number: 12-1

Action: Motion by Champ that the Helena Industries Expansion project meets the intent of the Good Neighbor Agreement. Seconded by Rayman. Motion carried.

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:

The Business Assistance application will be forwarded to the Iowa Economic Development Authority for review. The Plan & Zoning Commission will review the proposed rezoning on June 20, 2013. City Council will hold a public hearing on the rezoning June 24, 2013.

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 first 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.