

 <p style="text-align: center;"><b>Council Communication</b> Office of the City Manager</p>	<b>Date:</b> June 22, 2015
	<b>Agenda Item No.</b> 20 <b>Roll Call No.</b> <u>15-1021</u> <b>Communication No.</b> <u>15-327</u> <b>Submitted by:</b> Matthew A. Anderson, Assistant City Manager

**AGENDA HEADING:**

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

**SYNOPSIS:**

On July 28, 2014, by Roll Call No. 14-1181, City Council approved actions relating to a request from Coppola Enterprises (Michael Coppola, 4521 Fleur Drive #C Des Moines, Iowa 50321) to create an urban renewal plan with a tax increment financing (TIF) district for the Echo Valley Development Area, and to initiate negotiation of preliminary terms of agreement for development of the area using project generated tax increment. The draft plan materials have been prepared and are presented here for City Council review.

The Roll Call accompanying this Council Communication requests City Council to now set the date of public hearing for July 27, 2015, on the proposed urban renewal area and TIF plan for the Echo Valley area. The boundaries of this proposed 332 acre economic development-focused urban renewal area are generally west of Fleur Drive, south of Echo Valley Drive and Highway 65/5, north of Beardsley Street and west of SW 28<sup>th</sup> Street. The area is located in Warren County. A map of the proposed boundaries is attached to the Roll Call.

Additional related actions to be undertaken, as follows:

1. Publication of the July 27, 2015 public hearing notice by the City Clerk’s Office;
2. Referral of the proposed plan to the Plan and 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.

Preliminary terms of an urban renewal development agreement with Coppola Enterprises will be presented to City Council on the July 13, 2015 agenda.

**FISCAL IMPACT:**

The TIF for this area will be prioritized for use on land development activities and public infrastructure projects that will facilitate private sector investment in commercial and residential development, and allow new taxable valuation to be created for the City of Des Moines. No City general funds will be required. It is planned that development agreements for this area will be organized around 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 provided by the valuation added by the development. There will be an ability to evaluate each proposed project, and its positive impact to the citizens of Des Moines in the form of business development, services, housing and employment. All individual development agreements must be reviewed and approved by the City Council.

Based on 2014 assessments, the base value of the proposed TIF district will be approximately \$1.8M. To have a general estimate of anticipated revenues, an increase in taxable valuation of 1.5% per year will be used.

### **ADDITIONAL INFORMATION:**

The Office of Economic Development has worked with other City departments over the last several months to evaluate the Echo Valley Area as a proposed urban renewal area/TIF District. Development of this area is a benefit to the City, offering the ability to stimulate new private sector upfront investment, create new taxable valuation, provide executive level housing opportunities as well as multifamily housing, and offer prime commercial and potential office development sites along Highway 65/5 (Purple Heart Highway), which is currently being promoted for inclusion as part of the Interstate system.

This evaluation of the Echo Valley Urban Renewal Area and proposed plan will continue through the required review processes for the development of an urban renewal plan, and conclude with presenting the final draft to City Council at the public hearing proposed for July 27. These processes include review by City boards and commissions, area taxing entities including Warren County, the Norwalk School District, and Des Moines Area Community College. In addition to these entities, neighborhood organizations will have an opportunity to review the proposed plan area and provide input.

The proposed area includes approximately 332 acres on the Des Moines side of the Echo Valley development area, with an estimated current total assessed valuation of \$1.8M. The Norwalk side of the Echo Valley Development Area is already under construction, following an urban renewal development agreement with Coppola Enterprises and the City of Norwalk in 2004. The Master Plan for the undeveloped Des Moines Echo Valley acres proposes a mix of single-family homes, multifamily housing and commercial development sites. Projected new valuation for the area, when fully developed, will be included in the analysis and provided to City Council as part of the financial condition report of the urban renewal plan. The creation of a low to moderate income set aside fund, which would be available for use in other parts of the City from valuation created in Echo Valley, will also be included.

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 Echo Valley area 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 and residential use, generating new taxable valuation and jobs for the community.

Current zoning and proposed land use maps are attached to the Roll Call. The proposed uses of land for the area include planned business park development, highway commercial, and medium density

residential. Sanitary sewer and water are located in the area through prior capital investment by the Wastewater Reclamation Authority and the Des Moines Water Works.

There is an ability to proactively structure this proposed urban renewal plan and TIF district to respond to the new private sector investment opportunities available to the City, providing reinforcement to prior investment in Highway 65/5 and in public sanitary sewer and water, and providing for the continuation of planning efforts in conjunction with the 2020 Community Character Plan and the update of same that is currently in progress. The upfront costs being provided by the developer, and having project generated TIF as the source of any economic development assistance are ways to significantly limit the City's risk in the proposal while offering a significant return through new added taxable valuation.

**PREVIOUS COUNCIL ACTION(S):**

Date: July 28, 2014

Roll Call Number: [14-1181](#)

Action: [Actions](#) relating to the request from Coppola Enterprises to create an Urban Renewal Area utilizing tax increment financing for the Echo Valley Development Area to initiate negotiations of preliminary terms of agreement for development of the area using project generated increment and authorizing use of special counsel. ([Council Communication No. 14-353](#)) Moved by Hensley to adopt. Motion Carried 7-0.

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

**ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:**

The Plan and Zoning Commission and Urban Design Review Board will review the proposed Urban Renewal Plan and TIF District at their respective meetings in July. The taxing entities consultation will be coordinated by the Office of Economic Development in July. Neighborhood organizations will be offered opportunities to meet and review the proposed plan and provide input.

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](mailto:cityclerk@dmgov.org).