

 <p style="text-align: center;">Council Communication Office of the City Manager</p>	Date:	September 14, 2015
	Agenda Item No.	36
	Roll Call No.	<u>15-1521</u>
	Communication No.	<u>15-486</u>
	Submitted by:	Matthew A. Anderson, Assistant City Manager

AGENDA HEADING:

Actions related to the request from Electro Management Corp. and Electrical Power Products, Inc. (EP2) to create an urban renewal area utilizing tax increment financing and to continue negotiation of terms of agreement for a development project using project generated tax increment

SYNOPSIS:

Electro Management Corp. and Electrical Power Products, Inc. (EP2, Britt Baker, 1800 East Hull Avenue Des Moines, Iowa 50313) have been actively working with the Office of Economic Development (OED) on a business relocation and expansion project for their growing company, currently located at 1800 Hull Avenue. City-owned land in the SE Agrimergent Business Park was identified as the proposed site for the new project, and a financial assistance package has been negotiated with the company for this location.

An alternate site at SW 42nd Street and Army Post Road, which has close proximity to the Des Moines International Airport, has recently been proposed to the company by the site owner. EP2 has evaluated the alternate site's benefits to the project and has interest in continued pursuit of this location. It is recognized that the alternate site's proximity to the airport and major transportation corridors will offer the company additional benefits. The retention of the company's 250 jobs and the new economic investment remain very important goals for the City, and will still be achieved with selection of this alternate site.

As the alternate site is not located within an urban renewal area/tax increment financing district, staff is recommending that City Council approve actions necessary to create an economic development focused urban renewal plan for the site at SW 42nd and Army Post Road, including the preparation of the plan, scheduling taxing entities consultation, coordinating board and commission review processes, and conducting informational meetings with adjacent property owners and other organizations. The creation of this plan will allow for the proposed financial assistance package to EP2 to be provided from project generated tax increment, as with the previous site.

Additionally, staff recommends that City Council direct the City Manager to continue work to finalize terms of the urban renewal development agreement with Electro Management Corp. and Electrical Power Products, Inc. for the alternate site. It is recognized that the nature and scope of the proposed project investment has not changed significantly; a location has been identified that may better suit the company's needs.

FISCAL IMPACT:

Amount: To be determined. OED has worked extensively with EP2 on evaluation of the SE Agribusiness Park location, and on the economic benefits of the company's proposed project. The

nature and scope of the project have not changed significantly, other than an additional cost for earthwork preparation at the alternate site. The total financial assistance package to the company at the alternate site will be proposed to respond to include this cost.

Funding Source: Project generated tax increment

ADDITIONAL INFORMATION:

EP2's intention has been to initiate development of the new project as soon as possible, as the company is out of room at their current location. Both sites under consideration have earthwork variables involved with their development that will take additional time to address. It is anticipated that the grading and preparation of the selected site will be conducted this fall, with building construction initiated in the spring of 2016.

PREVIOUS COUNCIL ACTION(S):

Date: July 27, 2015

Roll Call Number: [15-1285](#)

Action: On items regarding Electrical Power Products, Inc. (EP2):

- (B) [On](#) the proposed purchase of land in the SE Agrimergent Business Park. ([Council Communication No. 15-429](#)) Moved by Gatto to adopt. Motion Carried 7-0.

Date: July 13, 2015

Roll Call Number: [15-1144](#)

Action: On items regarding Electrical Power Products, Inc. (EP2):

- (B) [Proposed](#) purchase of land in the SE Agrimergent Business Park, (7-27-15). ([Council Communication No. 15-394](#)) Moved by Hensley to adopt. Motion Carried 7-0.

Date: June 22, 2015

Roll Call Number: [15-1092](#)

Action: [Communication](#) from City Manager regarding Electrical Power Products (EP2). ([Council Communication No. 15-354](#)) Moved by Gatto to adopt. Motion Carried 7-0.

Date: June 8, 2015

Roll Call Number: [15-0928](#)

Action: [Receipt](#) and file of proposal to purchase City-owned property at SE 43rd and Vandalia Road for redevelopment and direct the City Manager to negotiate preliminary terms of agreement with Electrical Power Products (EP2). ([Council Communication No. 15-286](#)) Moved by Gatto to receive

and file Council Communication No. 15-286 and to direct the City Manager to negotiate preliminary terms of a development agreement with EP2. Motion Carried 7-0.

BOARD/COMMISSION ACTION(S):

Board: Urban Design Review Board

Date: July 21, 2015

Resolution Number: N/A

Action: Motion to approve final design and financial assistance as presented with the landscaping plan and fence design to come back as they are worked out with staff for information purpose by Reynolds. Seconded by MacRae. Motion carried. Yes – 8, No – 0, Absent -3, Abstain – 0.

Board: Plan and Zoning Commission

Date: July 16, 2015

Resolution Number: N/A

Action: Approve with revisions as recommended 11-0.

Board: Urban Design Review Board

Date: July 13, 2015

Resolution Number: N/A

Action: Motion to approve preliminary design and financial assistance subject to Board comments by Hielkema. Seconded by Reynolds. Motion carried. Yes – 7, No – 0, Absent – 3, Abstain – 0.

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:

Required processes and actions for the creation of an Urban Renewal Plan and finalizing a development agreement.

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