

 <p style="text-align: center;">Council Communication Office of the City Manager</p>	Date:	November 9, 2015
	Agenda Item No.	27
	Roll Call No.	<u>15-1866</u>
	Communication No.	<u>15-601</u>
	Submitted by:	Matthew A. Anderson, Assistant City Manager

AGENDA HEADING:

Resolution scheduling hearing on the adoption of an Urban Renewal Plan for the SW 42nd and Army Post Urban Renewal Area.

SYNOPSIS:

On September 14, 2015, by Roll Call No. 15-1521, City Council authorized and directed the City Manager to prepare an urban renewal plan and related information and documents to assist in the redevelopment of property at SW 42nd Street and Army Post Road. The property is intended for the relocation and expansion of EP2 (Britt Baker, 1800 East Hull Avenue Des Moines, Iowa 50313). 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 December 7, 2015, on the proposed urban renewal area and TIF plan for the SW 42nd and Army Post area. The boundaries of this proposed 61 acre urban renewal area are generally south of Army Post Road, west of SW 42nd Street, north of Iowa Highway 5 and east of Iowa Highway 28. A map of the proposed boundaries is attached to the Roll Call.

Additional related actions to be undertaken, as follows:

1. Publication of the December 7, 2015 public hearing notice by the City Clerk’s office;
2. Referral of the proposed plan to the Plan & 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.

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 industrial development, and allow new taxable valuation to be created for the City of Des Moines. Based on 2014 assessments, the base value of the proposed TIF district will be approximately \$67,100.

Amount: EP2 Economic Development Grant equal to 100% of the tax increment revenues generated until the amount of \$1,600,000 has been paid; 50% of the tax increment revenues in each following year. Total assistance period is 17 years with an estimated NPV of \$3.3M.

Source: Project generated tax increment.

ADDITIONAL INFORMATION:

The creation of this Urban Renewal Area and TIF District will facilitate EP2's estimated \$18 million relocation and expansion project, and job retention within the City of Des Moines. City Council will be presented with final terms of the development agreement with the company at the December 7, 2015 meeting in order that land acquisition and other necessary processes may get underway for the project.

Terms of the development agreement will provide for an economic development grant to be provided from project generated tax increment.

PREVIOUS COUNCIL ACTION(S):

Date: September 14, 2015

Roll Call Number: [15-1521](#)

Action: [Resolution](#) to receive and file proposal for redevelopment and direct the City Manager to negotiate agreement with Electrical Power Products (EP2) and initiate Urban Renewal Designation Process for alternate site. ([Council Communication No. 15-486](#)) Moved by Hensley to receive and file Council Communication No. 15-486; to direct the City Manager to review and initiate creation, for Council consideration and approval and subject to all requirements of Iowa and local law, of an urban renewal plan for the site at SW 42nd Street and Army Post Road; and to direct the City Manager to negotiate a development agreement with EP2 for the SW 42nd Street and Army Post Road site. Motion Carried 7-0.

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): NONE

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:

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 November and December. The taxing entities consultation will be coordinated by the Office of Economic Development in November.

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