

 <p style="text-align: center;"><b>Council</b> <b>Communication</b> Office of the City Manager</p>	<b>Date:</b>	November 23, 2015
	<b>Agenda Item No.</b>	<b>32</b>
	<b>Roll Call No.</b>	<b><u>15-1977</u></b>
	<b>Communication No.</b>	<b><u>15-609</u></b>
	<b>Submitted by:</b>	<b>Matthew A. Anderson, Assistant City Manager</b>

**AGENDA HEADING:**

Approving urban renewal development agreement with United Properties Investment Company Inc. and Echo Valley Investment Company, L.C. for Echo Valley and approving proposed conceptual plan.

**SYNOPSIS:**

United Properties Investment Company Inc. and Echo Valley Investment Company, L.C. (Michael Coppola, 4521 Fleur Drive, Suite C, Des Moines, Iowa 50321) are undertaking the phased development of approximately 230 acres of land in Echo Valley, located in southwest Des Moines adjacent to Iowa Highway 5 and west of Fleur Drive. The project anticipates a mix of land uses (commercial, retail, residential, office) that will be solidified through project-by-project review by the Urban Design Review Board and amendments to a Conceptual Development Plan, as well as Planned Unit Development (PUD) guidelines and review. Upfront investment in street infrastructure, public utilities, and other site preparation are the responsibility of the developer, with proposed tax increment finance (TIF) assistance provided through new taxable valuation created by the project.

The improvements will consist of both housing and commercial development; however, the City will participate in only the commercial aspects of the project. Urban Design Review Board has reviewed the proposed financial assistance and Conceptual Development Plan and design, and will continue to work with staff and the developer on design guidelines and principles for the project, to be adopted at a later date.

On September 28, 2015, by Roll Call No. 15-1616, the City Council approved a conceptual assistance package of project generated tax increment to assist the Echo Valley project. Details are presented below in the Fiscal Impact section. Terms of the final package remain unchanged from the preliminary approval.

**FISCAL IMPACT:**

Amount: 100% of the increment generated by office development, 100% of the increment generated by hotel development, and 85% of the increment generated by retail development. Office, hotel and retail development increment will be applied in payment of the economic development grant for 20 years. 75% of the increment generated by apartment development shall be so applied for 15 years. 75% of the increment generated for residential development shall be so applied for five (5) years followed by 50% of such increment being so applied for an additional five (5) years. The total City incentives shall not exceed the documented eligible costs for site preparation and infrastructure to prepare that portion of the project site to be devoted to commercial and other non-residential uses, and none of the project generated tax increment will be used for residential development or public infrastructure to support residential development.

Funding Source: Project generated tax increment in the Echo Valley Urban Renewal Area

**ADDITIONAL INFORMATION:**

Echo Valley is located directly south of the Warren/Polk County line, west of Fleur Drive, north of Beardsley Street, and east of SW 28<sup>th</sup> Street (also known as 80<sup>th</sup> Avenue in unincorporated Warren County). The Des Moines International Airport is less than a 10 minute drive from the development area.

Mr. Coppola has owned land in this area for more than 45 years. Careful timing, willingness to make substantial upfront investment, taking risks on an untested market, and a commitment to quality development has resulted in the addition of nearly \$45 million in new valuation on the west side of Echo Valley through a development agreement with the city of Norwalk. The City has been interested in developing an agreement with Mr. Coppola to direct that same level of investment and quality development to the east, to the Des Moines side of Echo Valley. This will require significant upfront funding by the Developer for necessary infrastructure improvements, and initiating work in another untested market.

The goals of entering into the development agreement are: (1) to stimulate new economic investment for the City; (2) create new taxable valuation for the City; (3) provide executive level housing opportunities and offer prime commercial, retail and office development sites directly adjacent to Iowa Highway 5. The new taxable valuation created by the development will begin to return the substantial investment to the Echo Valley area for the extension of Iowa Highway 5, as well as substantial sanitary sewer and municipal standard water infrastructure investments.

**PREVIOUS COUNCIL ACTION(S):**

Date: September 28, 2015

Roll Call Number: [15-1616](#)

Action: [Preliminary](#) terms of agreement with United Properties Investment Company, LC and Echo Valley Investment Company, LC for the development of the Echo Valley Area. ([Council Communication No. 15-523](#)) Moved by Hensley to receive, file and approve the preliminary terms of agreement as set forth in the accompanying Council Communication, and to direct the City Manager to proceed with negotiation of a formal agreement consistent with such preliminary terms. Motion Carried 7-0.

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):**

Board: Urban Design Review Board

Date: November 17, 2015

Resolution Number: N/A

Action: Motion to approve financial assistance by Reynolds. Seconded by Hielkema. Motion Carried. Yes = 7, No = 0, Absent = 3, Abstain = 0.

Additional comments regarding conceptual plan and continued work on design guidelines and principles:

- Biggest challenges of the site are going to make it really special so take advantage of those opportunities. Adapt the elevations so they are integrated into the site;
- Integrated walkability;
- Response to the grade and water; and
- Sustainable practices are important.

Board: Urban Design Review Board

Date: November 3, 2015

Resolution Number: N/A

Action: No action taken; consensus of members recommended continued work on viewing the grading and infrastructure improvements through a sustainability lens, attention to ridgelines, topography, steep slopes; providing connected and walkable neighborhoods, and continuing work on a design guidelines and principles that will be approved at a later date.

**ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:**

Continued work by the developer with Office of Economic Development, other City departments and Urban Design Review Board members to develop Conceptual Design Guidelines and Principles to be approved for development of the Echo Valley area.

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