

 <p style="text-align: center;">Council Communication Office of the City Manager</p>	Date:	May 23, 2016
	Agenda Item No.	28
	Roll Call No.	[_____]
	Communication No.	<u>16-276</u>
	Submitted by:	Matthew A. Anderson, Assistant City Manager

AGENDA HEADING:

Resolution approving Second Amendment to the Urban Renewal Development Agreement with Raccoon Valley Investment Company, LC (Michael Coppola, Partner, 4521 Fleur Drive, Des Moines, IA), for the redevelopment of the commercial area east of Fleur Drive and north of McKinley Avenue.

SYNOPSIS:

On June 7, 2004, by Roll Call No. 04-1236, City Council approved an Urban Renewal Development Agreement with Raccoon Valley Investment Company, L.C. for property within the Fleur Drive Urban Renewal Area. On March 7, 2005, by Roll Call No. 05-110, City Council approved an amendment to such agreement. The main purpose of this second amendment to the agreement is two-fold: to amend the completion date identified in the agreement and to amend the percentage return of TIF payments on certain property (4519 Fleur Drive – Mezzodi’s site). The Developer has indicated that they intend to redevelop the Mezzodi’s site with a different restaurant and has asked that the completion time frame be extended and the reimbursement schedule be amended to 100% of the increment to reflect the shorter remaining life of the TIF District. The 2027 expiration date should allow approximately 8 years of payments depending on the new restaurant’s completion date.

FISCAL IMPACT:

Amount: 100% of the increment generated by development on the property at 4519 Fleur Drive through 2027 once a Certificate of Completion is issued.

Funding Source: Project generated tax increment from 4519 Fleur Drive.

ADDITIONAL INFORMATION:

Since the Urban Renewal Plan was approved in 2004, the Developer has developed/redeveloped two (2) lots and is presently receiving economic development grants based on the project increment for the two (2) projects: Starbucks (4502 Fleur Drive) and HyVee (4707 Fleur Drive). Payments for Starbucks began in 2008 and will conclude in FY2023. Payments for HyVee began in 2010 and will conclude in FY2025.

The existing agreement, as amended stipulates that no economic development grant shall be allowed for any development occurring after December 31, 2012. The agreement also includes a clause that states the deadline could be extended due to regional economic conditions or other factors outside the Developer’s control at the City’s discretion. Given the 2008 Recession, Office of Economic Development recommends that the development agreement be amended to allow an additional

economic development grant be awarded for the property at 4519 Fleur Drive after the December 31, 2012 deadline. For the same reason, the Office of Economic Development also recommends that the current sliding scale of increment percentage return be changed such that 100% of the project increment at 4519 Fleur Drive be awarded to the Developer for the life of the TIF District.

PREVIOUS COUNCIL ACTION(S):

Date: March 7, 2005

Roll Call Number: 05-555

Action: First Amendment to the Development Agreement with Raccoon Valley Investment Company, L.C./Fleur Drive Commercial Urban Renewal Area. ([Council Communication No. 05-110](#)) Moved by Hensley to adopt. Motion Carried 7-0.

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:

Future review and approval of an amendment to the Conceptual Development Plan by the Urban Design Review Board and City Council once a project is ready to move forward.

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