

 <p style="text-align: center;">Council Communication Office of the City Manager</p>	Date: June 27, 2016
	Agenda Item No. 63 Roll Call No. <u>16-1088</u> Communication No. <u>16-361</u> Submitted by: Matthew A. Anderson, Assistant City Manager

AGENDA HEADING:

Public Hearing on proposed Seventh Amendment to the SE Agribusiness Urban Renewal Plan.

SYNOPSIS:

This roll call opens and closes the public hearing on the Seventh Amendment to the SE Agribusiness Urban Renewal Plan. The proposed Seventh Amendment updates the urban renewal plan with information, as required by state law, relating to the provision of tax increment financial assistance approved by the City Council and for sale of City owned land in the SE Agrimergent Business Park to Crossroads Cold Storage, LLC. The amendment incorporates a description of approved economic development and redevelopment activities within the Urban Renewal Area, and updates the Financial Condition Report.

FISCAL IMPACT:

Amount: Five (5) Year Graduated Industrial Tax Exemption followed by 75% project generated TIF for 11 years. NPV = \$2,229,279 If project is not deemed eligible for the five (5) Year graduated Industrial Exemption, 75% project generated TIF for 10 years followed by 50% project generated TIF for five (5) years. NPV = \$2,239,222; Land sale proceeds \$343,050.

Funding Source: Land sale proceeds; project generated tax increment in the SE Agribusiness Urban Renewal Area, State of Iowa Chapter 427B Industrial Tax Exemption.

ADDITIONAL INFORMATION:

Updated approved economic development and redevelopment activities within the Seventh Amendment are:

- Sale of 22.87 acres of land to Crossroads Cold Storage, LLC and the sale of an option for an additional 18.91 acres of land.
- An Economic Development grant in an amount equal to 75% of the project generated tax increment on the Phase I 113,900-square-foot building to be paid out over 11 years, estimated as \$2,229,279, in the event that the project is eligible for and receives State of Iowa Industrial Tax Exemption under Chapter 427 B of the Iowa Code. If the project is not eligible for the State of Iowa Industrial Tax Exemption, the City will provide an Economic Development Grant equal to 75% of the project generated tax increment for 10 years and 50% for five (5) years, estimated at \$2,239,222.

- Provision of an in-kind Economic Development Grant of 90,000 cubic yards of fill material from City-owned land, valued at \$900,000, for use in filling, grading and improving the property and preparing the property for the Phase I improvements, and reservation of an additional 135,000 cubic yards of fill available to the developer for future grading needs related to the project.

PREVIOUS COUNCIL ACTION(S):

Date: March 10, 2014

Roll Call Number: [14-0436](#)

Action: [On](#) the proposed Sixth Amendment to the SE Agribusiness Urban Renewal Plan. ([Council Communication No. 14-100](#)) Moved by Gatto to adopt; refer to the City Manager and Legal to investigate responsible parties. Motion Carried 7-0.

BOARD/COMMISSION ACTION(S):

Board: Urban Design Review Board

Date: June 7, 2016

Resolution Number: N/A

Action: Motion by Hielkema to approve the amendment as presented. Seconded by Gray. Yes:7; No:0; Absent:4.

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE

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 Administration Building, 400 E. Court Avenue Ste.116. 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.