

 <p style="text-align: center;">Council Communication Office of the City Manager</p>	Date: October 22, 2018
	Agenda Item No. 54C Roll Call No. <u>18-1798</u> Communication No. <u>18-514</u> Submitted by: Erin Olson-Douglas, Economic Development Director

AGENDA HEADING:

Public hearing for the Southwest Gateway Urban Renewal Plan.

SYNOPSIS:

This action opens and closes the public hearing on the proposed Southwest Gateway Urban Renewal Plan and Tax Increment Financing (TIF District). The purpose of the Southwest Gateway Urban Renewal Plan is to guide the development within the Urban Renewal Area and to activate new economic investment leading to increased taxable valuation and employment opportunities. The Southwest Gateway Urban Renewal Plan consists of parcels and adjacent rights-of-way, encompassing 45.5-acres of land, located north of Southwest McKinley Avenue and east of Southwest 63rd Street (Highway 28). There is one (1) project identified within the Southwest Gateway Urban Renewal Plan: a new 149,000-square-foot office, production and warehouse facility occupied by the Waldinger Corporation. The expiration date of the Southwest Gateway Urban Renewal Plan is June 30, 2044.

FISCAL IMPACT:

Amount: There is no direct fiscal impact associated with the approval of this Southwest Gateway Urban Renewal Plan. The activities and project that may be assisted by this urban renewal plan and tax increment revenue are addressed in the plan text and are subject to separate Council action.

Funding Source: N/A

ADDITIONAL INFORMATION:

- The purpose of the Southwest Gateway Urban Renewal Plan is to encourage commercial and industrial development of the site due to the site’s appropriateness for commercial or industrial enterprises in accordance with Chapter 403 of the Code of Iowa. The urban renewal area consists of three (3) parcels and adjacent rights-of-way, encompassing approximately 45.5-acres. There is one (1) project identified within the Southwest Urban Renewal Plan: a commercial and industrial project that will be built by Bell Avenue Properties, Inc. The duration of the urban renewal plan is limited by Iowa law to 20 years from the calendar year in which the City first certifies the amount of any loans, advances, indebtedness, or bonds, which qualify for payment from the division of property tax revenue within the urban renewal area. It is anticipated that the urban renewal plan will expire on June 30, 2044.

- Bell Avenue Properties, Inc. is proposing the development of a new 149,000-square-foot corporate office building, production and warehouse facility on currently undeveloped ground located in the 4701 block of SW 63rd Street at Veteran's Parkway, and within the proposed Urban Renewal Plan boundary. The new facility will allow the company to continue their growth and expand into new markets around the United States, while solidifying their operations here in Des Moines. The project will have a total capital investment of \$21 million, and the company is anticipated to grow their office and production staff employees to an estimated total of 410 staff by 2021, an increase of 115 employees in these sectors from current staffing levels.
- As required by Iowa Law, a consultation meeting with taxing entities was held on October 4, 2018. There were no attendees present at the meeting and no written objections were received on the Southwest Gateway Urban Renewal Plan.



PREVIOUS COUNCIL ACTION(S):

Date: September 24, 2018

Roll Call Number: [15-1576](#), [15-1577](#), and [18-1578](#)

Action: [Approving](#) preliminary terms of an Urban Renewal Development Agreement with Bell Avenue Properties, Inc. for the new construction of an office and production building for the Waldinger Corporation. ([Council Communication No. 18-476](#)) Moved by Mandelbaum to receive and file and to authorize the City's Office of Economic Development to negotiate a final agreement with Bell Avenue Properties, Inc., upon terms consistent with the preliminary terms, for future consideration by City Council. Motion Carried 7-0.

(A) On vacation of roadway easement for Southwest Connector right-of-way located east of SW 63rd Street and conveyance to Bell Avenue Properties, Inc, \$170,950, (10-8-18). Moved by Mandelbaum to adopt. Motion Carried 7-0.

(B) On adoption of an Urban Renewal Plan for the Southwest Gateway Urban Renewal Area, (10-22-18). Moved by Mandelbaum to adopt. Motion Carried 7-0.

BOARD/COMMISSION ACTION(S):

Board: Plan and Zoning Commission

Date: October 4, 2018

Resolution Number: N/A

Action: Plan and Zoning Commission voted to find the proposed Southwest Gateway Urban Renewal Plan is in conformance with the PlanDSM Creating our Tomorrow Plan. Vote: 11-0-1 (abstention).

Board: Urban Design Review Board

Date: September 25, 2018

Resolution Number: N/A

Action: Motion to recommend approval of the Amendment as presented by Weisenbach. Seconded by Barnum. Motion carried. Yes = 6, No = 0, Abstain = 0, Absent = 4.

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:

Approval of final terms of an economic development agreement with Bell Avenue Properties, Inc. for the private development project identified in the Southwest Gateway Urban Renewal Plan.

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