NO CHANGE FROM PREVIOUS READING

CITY OF WEST DES MOINES
CITY COUNCIL MEETING COMMUNICATION

ITEM: Westown V Urban Renewal Area TIF Ordinance – City-initiated **DATE:** November 2, 2015

ORDINANCE: Approval of Second, Third Readings, and Final Adoption

FINANCIAL IMPACT: Undetermined, but positive. Because the overall valuation within the existing Westown V Urban Renewal Area is negative, no incremental revenue can be generated. Those parcels that are significantly under their frozen base have no long-term value to the TIF District. This Ordinance change to delete those parcels will allow for increment generated by the Hy-Vee expansion (over and above its frozen base) to be captured and portions returned to Hy-Vee as rebates. The City will be able to capture the remainder of the increment minus debt service.

BACKGROUND The City Council approved the Westown V Urban Renewal Plan in 2009 and the most recent amendment to the Urban Renewal Plan on May 4, 2015. Along with the approval of the original Plan in 2009, an Ordinance was approved to establish a TIF District that allows for the capture and expenditure of tax increment across the entire Urban Renewal Plan Area. The Dallas County parcels within the Westown V Urban Renewal Area are generating tax increment while the Polk County parcels are valued below the "frozen base" year of 2009. Since 2009, many property owners have successfully contested their property valuations established by the County Assessor, resulting in a lower valuation in the Urban Renewal Area now than there was in 2009 when the Plan and Ordinance were established.

HyVee intends to build an addition to their conference center and corporate headquarters located on Westown Parkway in the Polk County side of the Westown V Urban Renewal Area. HyVee expects to add 102 new jobs and has secured financial assistance from IEDA which requires a local match from the City. Because the valuation within the existing Urban Renewal Area is negative, no incremental value can be generated. In an effort to create a financially positive TIF District, staff recommends an amendment to the existing TIF Ordinance to remove the majority of the property in Polk County presently in the Westown V TIF District. The HyVee property would remain in the TIF District. (See Exhibit I, Map of Westown V Urban Renewal Area. The buildable lots within Polk County are numbered. Lots 15 and 16 will remain in the Westown V TIF District. All other lots will be deleted from the TIF District.) This change will allow for increment generated by the HyVee expansion (over and above its frozen base) to be captured and portions returned to HyVee as rebates.

PREVIOUS COUNCIL ACTION:
Vote: 4-0 for approval, with Mickelson absent
Date: October 19, 2015
Motion: Approval of the First Reading of the Ordinance amending the Westown V Tax Increment Financing (TIF) District.

OUTSTANDING ISSUES: There are no outstanding issues.

RECOMMENDATION: Staff recommends approval of the second reading, waiver of the third reading, and adoption of the ordinance amending the TIF District.

Lead Staff Member: Naomi Hamlett, AICP, Planner

STAFF REVIEWS

Department Director	Clyde Evans, Community and Economic Development Department CEE
Appropriations/Finance	
Legal	
Agenda Acceptance	RTJ

PUBLICATION(S) (if applicable)

Published In	NA
Date(s) Published	NA
Letter sent to surrounding property owners	NA

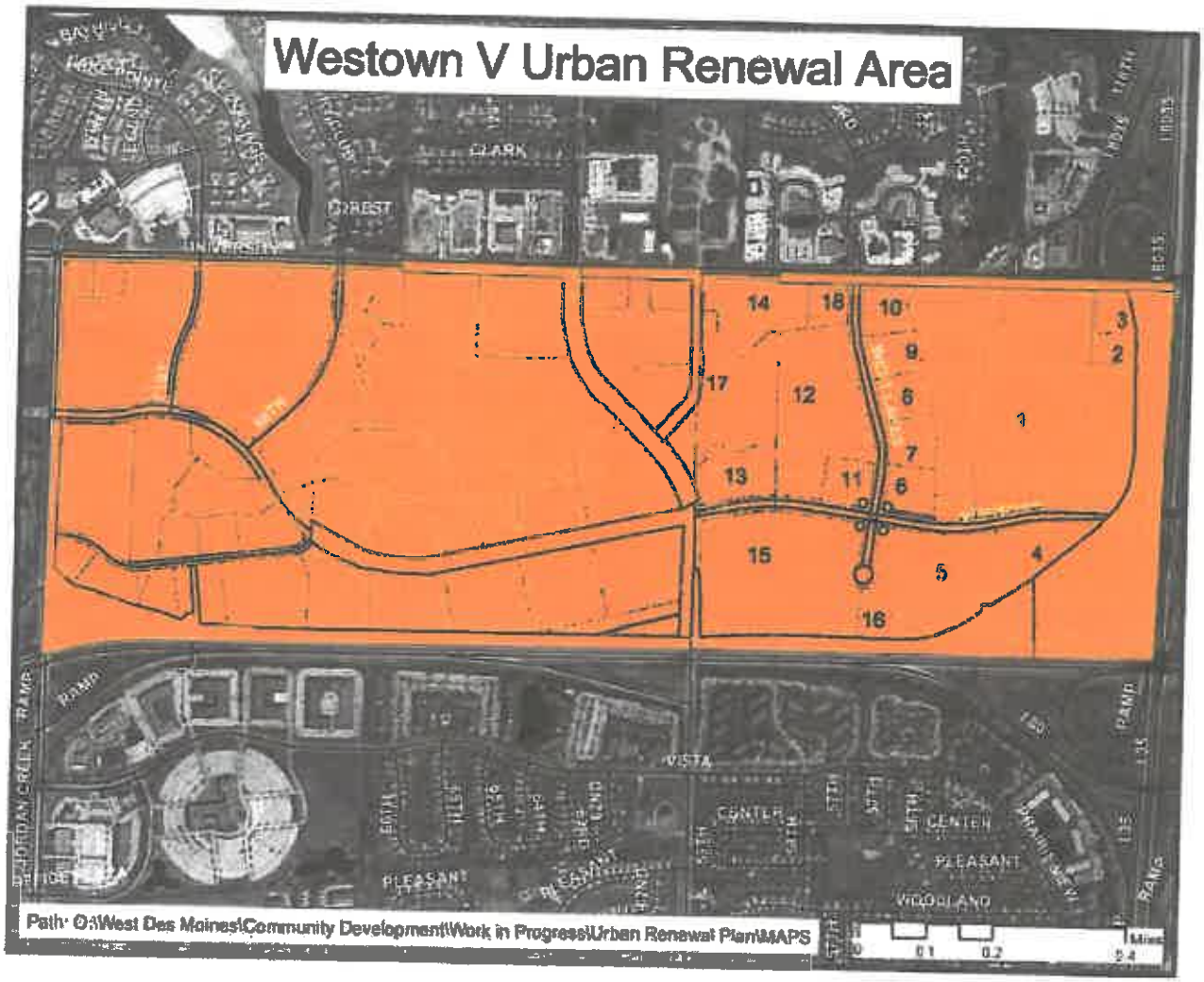
SUBCOMMITTEE REVIEW (if applicable)

Committee	N/A		
Date Reviewed	N/A		
Recommendation	Yes ☐	No ☐	Split ☐

ATTACHMENTS:

Exhibit I - Map of Westown V Urban Renewal Plan Area
Exhibit II - TIF Ordinance for Alluvion Urban Renewal Plan Area

EXHIBIT I


Westown V Urban Renewal Area
CLARK
FOREST
14
18
10
3
2
9
17
12
6
1
7
13
11
6
15
5
4
16
VISTA
CENTER
PLEASANT
WOODLAND
Path: O:\West Des Moines\Community Development\Work in Progress\Urban Renewal Plan\MAPS
0.1
0.2
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Miles

EXHIBIT II

ORDINANCE NO. _____

AN ORDINANCE AMENDING ORDINANCE NO. 1848, PROVIDING THAT GENERAL PROPERTY TAXES LEVIED AND COLLECTED EACH YEAR **ON CERTAIN PROPERTY** LOCATED WITHIN THE WESTOWN V URBAN RENEWAL AREA, IN THE CITY OF WEST DES MOINES, COUNTIES OF POLK AND DALLAS, STATE OF IOWA, BY AND FOR THE BENEFIT OF THE STATE OF IOWA, CITY OF WEST DES MOINES, COUNTIES OF POLK AND DALLAS, WEST DES MOINES COMMUNITY SCHOOL DISTRICT AND OTHER TAXING DISTRICTS, BE PAID TO A SPECIAL FUND FOR PAYMENT OF PRINCIPAL AND INTEREST ON LOANS, MONIES ADVANCED TO AND INDEBTEDNESS, INCLUDING BONDS ISSUED OR TO BE ISSUED, INCURRED BY THE CITY IN CONNECTION WITH THE WESTOWN V URBAN RENEWAL AREA

WHEREAS, the City Council of the City of West Des Moines, State of Iowa ("City"), has heretofore, in Ordinance No. 1848, provided for the division of taxes within the entirety of the Westown V Urban Renewal Area ("Area" or "Urban Renewal Area"), pursuant to Section 403.19 of the Code of Iowa; and

WHEREAS, the City Council of the City has determined that in order to fulfill the purposes, objectives and projects for the Westown V Urban Renewal Area, as stated in the Plan, as amended, certain portions of the Urban Renewal Area must be removed from Ordinance No. 1848 and no longer subject to the division of taxes under Section 403.19 of the Code of Iowa.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF WEST DES MOINES, IOWA:

Section 1: The following portion of the Westown V Urban Renewal Area shall be and is hereby removed from Ordinance No. 1848 and shall no longer be subject to the division of taxes under Section 403.19 of the Code of Iowa:

> All property within the Westown V Urban Renewal Area as described in Ordinance No. 1848 that is located in Polk County, Iowa except for the following specifically described property (which following specifically described property shall remain subject to the division of taxes under Ordinance 1848 and Section 403.19):
>
> Lots 15, 16, 17 and 18, WEST LAKES OFFICE PARK PLAT 2, an Official Plat, now included in and forming a part of the City of West Des Moines, Polk County, Iowa.
>
> AND

A part of Lot 3 of West Lakes Office Park Plat 2, an official plat now included and forming a part of the City of West Des Moines, Polk County, Iowa that is more particularly described as follows:

Beginning at the Northwest corner of said Lot 3, also being on the South Right-of-Way line of West Lakes Parkway; thence Easterly along said South Right-of-Way Line, along a curve concave to the left having a radius of 100.00 feet, an arc length of 29.71 feet, a chord length of 29.60 feet and a chord bearing of N89°28'46"E; thence S44°38'22"E, 477.42 feet; thence S00°54'21"W to a point on the South line of said Lot 3 of West Lakes Office Park Plat 2, also being the North Right-of-Way line of Interstate 80; thence N89°05'39"W, 419.87 feet along the South line of said Lot 3, also being the North Right-of-Way line of Interstate 80 to the Southwest corner of said Lot 3; thence N07°59'29"E, 401.22 feet along the West line of said Lot 3, said line also being radial to a point on the center of Cul-De-Sac of said West Lakes Parkway to the point of beginning, containing 2.309 acres, more or less. Parcel subject all easements and restrictions of record.

Section 2. That the portion of the Westown V Urban Renewal Area located in Polk County, Iowa that is not being removed from Ordinance No. 1848 by this Ordinance shall be and remains subject to all of the provisions of Ordinance No. 1848.

Section 3. That all property within the Westown V Urban Renewal Area that is located in Dallas County, Iowa shall be and remains subject to all of the provisions of Ordinance No. 1848.

Section 4. That except as amended herein, Ordinance No. 1848 shall remain in full force and effect.

Section 5. That if any section, provision or part of this ordinance shall be adjudged invalid or unconstitutional, such adjudication shall not affect the validity of the ordinance or any section, provision or part thereof not adjudged invalid or unconstitutional.

Section 6. That all ordinances or parts of ordinances in conflict herewith be and the same are hereby repealed to the extent of such conflict.

Section 7. This Ordinance shall be in effect after its final passage, approval and publication as provided by law.

PASSED AND APPROVED this _____ day of _____, 2015.

_____
Mayor

ATTEST:

_____
City Clerk

Read First Time: _____, 2015

Read Second Time: _____, 2015

Read Third Time: _____, 2015

PASSED AND APPROVED: _____, 2015.

I, _____, City Clerk of the City of West Des Moines, State of Iowa, hereby certify that the above and foregoing is a true copy of Ordinance No. _____ passed and approved by the City Council of the City at a meeting held _____, 2015, signed by the Mayor on _____, 2015, and published in the Des Moines Register on _____, 2015.

_____
City Clerk, City of West Des Moines, State of Iowa

(SEAL)

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