CITY OF WEST DES MOINES
CITY COUNCIL MEETING COMMUNICATION

ITEM: Determining the Necessity and Setting Dates of Consultation Meeting and Public Hearing– Amendment #1 to 4125 Westown Parkway Urban Renewal Area – City-initiated

DATE: November 30, 2015

RESOLUTION: Establish Consultation Meeting and Public Hearing –Amendment #1 to 4125 Westown Parkway Urban Renewal Area

FINANCIAL IMPACT: The City anticipates providing incentives totaling up to $600,000, in the form of tax rebates, to the owners of the building, Signature Real Estate and Hurd Real Estate Services. In addition, the City will likely incur costs of approximately $15,000 for legal, engineering, and planning services related to the formation and ongoing administration of the Amendment. Each of these costs will be funded by incremental property tax revenues generated by properties within the 4125 Westown Parkway Urban Renewal Area.

BACKGROUND: Staff has initiated the process to amend the 4125 Westown Parkway Urban Renewal Area. The Amendment increases the maximum amount for tax rebates from $200,000 to $600,000, based upon the fact that the Polk County Assessor assessed the property at a higher rate than anticipated. The assessment for 2016 is estimated to be at $10 million.

Per the Code of Iowa, the first step in the process to amend a new Urban Renewal Plan is for the City Council to set a date for a consultation meeting with all affected taxing entities and to set a date for a City Council public hearing on the proposed Plan. Staff is proposing the consultation meeting date be set for December 9, 2015 The public hearing is proposed to be set for the December 28, 2015 City Council meeting.

OUTSTANDING ISSUES: There are no outstanding issues.

RECOMMENDATION: Staff recommends the City Council approve a resolution setting December 9, 2015 as the date for a consultation meeting for the 4125 Westown Parkway Urban Renewal Plan, and setting December 28, 2015 as the public hearing date for the 4125 Westown Parkway Urban Renewal Plan.

Lead Staff Member: Naomi Hamlett, AICP, Planner

STAFF REVIEWS

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

PUBLICATION(S) (if applicable)

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

SUBCOMMITTEE REVIEW (if applicable)

Committee	Finance & Administration		
Date Reviewed	September 23, 2015		
Recommendation	Yes ☑	No ☐	Split ☐

ATTACHMENTS:

Attachment I - Resolution
Exhibit I - Proposed Amendment #1 to 4125 Westown Parkway Urban Renewal Plan

ATTACHMENT I

RESOLUTION NO. _____

RESOLUTION SETTING DATES OF A CONSULTATION AND A PUBLIC HEARING ON A PROPOSED AMENDMENT NO. 1 TO THE 4125 WESTOWN PARKWAY URBAN RENEWAL PLAN IN THE CITY OF WEST DES MOINES, STATE OF IOWA

WHEREAS, by Resolution No. 13-05-28-11, adopted May 28, 2013, this Council found and determined that certain areas located within the City are eligible and should be designated as an urban renewal area under Iowa law, and approved and adopted the 4125 Westown Parkway Urban Renewal Plan (the "Plan" or "Urban Renewal Plan") for the 4125 Westown Parkway Urban Renewal Area (the "Area" or "Urban Renewal Area") described therein, which Plan is on file in the office of the Recorder of Polk County; and

WHEREAS, this Urban Renewal Area currently includes and consists of:

The South 700 feet of the following tract of real estate located in West Des Moines, Polk County, Iowa, to-wit:

The East four hundred ninety feet (E 490') of the West five hundred twenty three feet (W 523') (except the South forty feet (40') thereof) of the Northwest one-quarter (NW ¼) of the Northeast fractional one-quarter (NE frl ¼) of Section Five (5), Township 78 North, Range 25 West of the Fifth Prime Meridian, in the City of West Des Moines, Polk County, Iowa.

Polk County, Iowa Parcel ID number is 320-00027-001-007

WHEREAS, City staff has caused there to be prepared a form of Amendment No. 1 to the Plan ("Amendment No. 1" or "Amendment"), a copy of which has been placed on file for public inspection in the office of the City Clerk and which is incorporated herein by reference, the purpose of which is to identify increased potential costs associated with previously identified urban renewal projects; and

WHEREAS, it is desirable that the area be redeveloped as part of the overall redevelopment covered by the Plan, as amended; and

WHEREAS, this proposed Amendment No. 1 to the Urban Renewal Plan adds no new land; and

WHEREAS, the Iowa statutes require the City Council to notify all affected taxing entities of the consideration being given to the proposed Amendment No. 1 to the 4125 Westown Parkway Urban Renewal Plan and to hold a consultation with such taxing entities with respect thereto, and further provides that the designated representative of each affected taxing entity may attend the consultation and make written recommendations for modifications to the proposed

division of revenue included as a part thereof, to which the City shall submit written responses as provided in Section 403.5, as amended; and

WHEREAS, the Iowa statutes further require the City Council to hold a public hearing on the proposed Amendment No. 1 to the 4125 Westown Parkway Urban Renewal Plan subsequent to notice thereof by publication in a newspaper having general circulation within the City, which notice shall describe the time, date, place and purpose of the hearing, shall generally identify the urban renewal area covered by the Amendment and shall outline the general scope of the urban renewal project under consideration, with a copy of the notice also being mailed to each affected taxing entity.

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

Section 1. That the consultation on the proposed Amendment No. 1 to the 4125 Westown Parkway Urban Renewal Plan required by Section 403.5(2) of the Code of Iowa, as amended, shall be held on the 9th day of December, 2015, in the Council Chambers, City Hall, 4200 Mills Civic Parkway, West Des Moines, Iowa, at 2:30 P.M., and the City Clerk, or his delegate, is hereby appointed to serve as the designated representative of the City for purposes of conducting the consultation, receiving any recommendations that may be made with respect thereto and responding to the same in accordance with Section 403.5(2).

Section 2. That the City Clerk is authorized and directed to cause a notice of such consultation to be sent by regular mail to all affected taxing entities, as defined in Section 403.17(1), along with a copy of this Resolution and the proposed Amendment No. 1 to the 4125 Westown Parkway Urban Renewal Plan, the notice to be in substantially the following form:

NOTICE OF A CONSULTATION TO BE HELD BETWEEN THE CITY OF WEST DES MOINES, STATE OF IOWA AND ALL AFFECTED TAXING ENTITIES CONCERNING THE PROPOSED AMENDMENT NO. 1 TO THE 4125 WESTOWN PARKWAY URBAN RENEWAL PLAN FOR THE CITY OF WEST DES MOINES, STATE OF IOWA

The City of West Des Moines, State of Iowa will hold a consultation with all affected taxing entities, as defined in Section 403.17(1) of the Code of Iowa, as amended, commencing at 2:30 P.M. on December 9, 2015, in the Council Chambers, City Hall, 4200 Mills Civic Parkway, West Des Moines, Iowa concerning a proposed Amendment No. 1 to the 4125 Westown Parkway Urban Renewal Plan, a copy of which is attached hereto.

Each affected taxing entity may appoint a representative to attend the consultation. The consultation may include a discussion of the estimated growth in valuation of taxable property included in the proposed Urban Renewal Area, the fiscal impact of the division of revenue on the affected taxing entities, the estimated impact on the provision of services by each of the affected taxing entities in the proposed Urban Renewal Area, and the duration of any bond issuance included in the Amendment.

The designated representative of any affected taxing entity may make written recommendations for modifications to the proposed division of revenue no later than seven days following the date of the consultation. The City Clerk, or his delegate, as the designated representative of the City of West Des Moines, State of Iowa, shall submit a written response to the affected taxing entity, no later than seven days prior to the public hearing on the proposed Amendment No. 1 to the 4125 Westown Parkway Urban Renewal Plan, addressing any recommendations made by that entity for modification to the proposed division of revenue.

This notice is given by order of the City Council of the City of West Des Moines, State of Iowa, as provided by Section 403.5 of the Code of Iowa, as amended.

Dated this _____ day of _____, 2015.

_____

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

(End of Notice)

Section 3. That a public hearing shall be held on the proposed Amendment No. 1 to the 4125 Westown Parkway Urban Renewal Plan before the City Council at its meeting which commences at 5:30 P.M. on December 28, 2015, in the Council Chambers, City Hall, 4200 Mills Civic Parkway, West Des Moines, Iowa.

Section 4. That the City Clerk is authorized and directed to publish notice of this public hearing in the Des Moines Register, once on a date not less than four (4) nor more than twenty (20) days before the date of the public hearing, and to mail a copy of the notice by ordinary mail to each affected taxing entity, such notice in each case to be in substantially the following form:

(One publication required)

NOTICE OF PUBLIC HEARING TO CONSIDER APPROVAL OF A PROPOSED AMENDMENT NO. 1 TO THE 4125 WESTOWN PARKWAY URBAN RENEWAL PLAN FOR AN URBAN RENEWAL AREA IN THE CITY OF WEST DES MOINES, STATE OF IOWA

The City Council of the City of West Des Moines, State of Iowa, will hold a public hearing before itself at its meeting which commences at 5:30 P.M. on December 28, 2015 in the Council Chambers, City Hall, 4200 Mills Civic Parkway, West Des Moines, Iowa, to consider adoption of a proposed Amendment No. 1 to the 4125 Westown Parkway Urban Renewal Plan (the "Amendment") concerning an Urban Renewal Area in the City of West Des Moines, State of Iowa, legally described as follows:

The South 700 feet of the following tract of real estate located in West Des Moines, Polk County, Iowa, to-wit:

The East four hundred ninety feet (E 490') of the West five hundred twenty three feet (W 523') (except the South forty feet (40') thereof) of the Northwest one-quarter (NW ¼) of the Northeast fractional one-quarter (NE frl ¼) of Section Five (5), Township 78 North, Range 25 West of the Fifth Prime Meridian, in the City of West Des Moines, Polk County, Iowa.

Polk County, Iowa Parcel ID number is 320-00027-001-007

A copy of the Amendment is on file for public inspection in the office of the City Clerk, City Hall, City of West Des Moines, Iowa.

The City of West Des Moines, State of Iowa is the local public agency which, if such Amendment is approved, shall undertake the urban renewal activities described in such Amendment.

The general scope of the urban renewal activities under consideration in the Amendment is to promote the growth and retention of qualified industries and businesses in the Urban Renewal Area through various public purpose and special financing activities outlined in the Amendment. To accomplish the objectives of the Amendment, and to encourage the further economic development of the Urban Renewal Area, the Amendment provides that such special financing activities may include, but not be limited to, the making of loans or grants of public funds to private entities under Chapter 15A of the Code of Iowa. The City also may reimburse or directly undertake the installation, construction and reconstruction of substantial public improvements, including, but not limited to, streets, parking areas, utilities and other substantial public facilities. The Amendment provides that the City may issue bonds or use available funds for purposes allowed by the Plan, as amended, and that tax increment reimbursement of the costs of urban renewal projects may be sought if and to the extent incurred by the City. The

Amendment initially proposes no specific public infrastructure or site improvements to be undertaken by the City, and provides that the Amendment may be amended from time to time.

The proposed Amendment No. 1 would identify increased potential costs associated with previously identified urban renewal projects. The proposed Amendment adds no new land. Other provisions of the Plan not affected by the Amendment would remain in full force and effect.

Any person or organization desiring to be heard shall be afforded an opportunity to be heard at such hearing.

This notice is given by order of the City Council of the City of West Des Moines, State of Iowa, as provided by Section 403.5 of the Code of Iowa.

Dated this _____ day of _____, 2015.

_____

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

(End of Notice)

Section 5. That the proposed Amendment No. 1 to the 4125 Westown Parkway Urban Renewal Plan, attached hereto as Exhibit 1, for the proposed Urban Renewal Area described therein is hereby officially declared to be the proposed Amendment No. 1 to the 4125 Westown Parkway Urban Renewal Plan referred to in the notices for purposes of such consultation and hearing and that a copy of the Amendment shall be placed on file in the office of the City Clerk.

PASSED AND APPROVED this 30th day of November, 2015.

_____
Mayor

ATTEST:

_____
City Clerk

Label the Amendment as Exhibit 1 (with all exhibits) and attach it to this Resolution.

EXHIBIT I

AMENDMENT NO. 1

4125 WESTOWN PARKWAY URBAN RENEWAL PLAN

City of West Des Moines, Iowa

Original Area Adopted – 2013

Amendment No. 1 – 2015

TABLE OF CONTENTS

		PAGE
I.	Introduction	1
II.	Area Designation	1
III.	Plan Objectives	1
IV.	Description of Urban Renewal Activities	1
V.	Updated Urban Renewal Projects	1
VI.	City Indebtedness	2
VII.	Land Uses and Development Plan	2
VIII.	Urban Renewal Plan Amendments	3
IX.	Effective Period	3
X.	Repealer	3
XI.	Severability Clause	3

AMENDMENT NO. 1
to
4125 WESTOWN PARKWAY
URBAN RENEWAL PLAN
CITY OF WEST DES MOINES, IOWA

I. INTRODUCTION

The **4125 Westown Parkway** Urban Renewal Plan ("Plan" or "Urban Renewal Plan") for the **4125 Westown Parkway** Urban Renewal Area ("Area" or "Urban Renewal Area"), was originally adopted in 2013, and is now being amended by this Amendment No. 1 to identify increased potential costs associated with the previously identified urban renewal projects. No land is being added to the Area by this Amendment. The Area has a frozen base value that has already been established and that is not being changed by this Amendment.

Except as modified by this Amendment, the provisions of the original **4125 Westown Parkway** Urban Renewal Plan are hereby ratified, confirmed, and approved and shall remain in full force and effect as provided herein. In case of any conflict or uncertainty, the terms of this Amendment shall control. Any subsections in the original Plan not mentioned in this Amendment shall continue to apply to the Plan, as amended.

II. AREA DESIGNATION

The City continues to designate the Urban Renewal Area as an economic development area that is appropriate for the promotion of new commercial and/or industrial development.

III. PLAN OBJECTIVES

Generally, the objectives of this Plan are to provide opportunities, incentives, and sites for new and expanded commercial and industrial development. More specific objectives are set forth in the original Plan, which objectives are not altered by this Amendment.

IV. DESCRIPTION OF THE URBAN RENEWAL ACTIVITIES

The description of renewal activities contained in the original Plan is not altered by this Amendment.

V. UPDATED URBAN RENEWAL PROJECTS

The initial Urban Renewal Project ("Project") set forth in the original Plan was to provide assistance to 4125 Westown, LLC and Hurd Westown, LLC (collectively "Developer"), related to Developer's purchase and remodeling of a vacant building in the Area, located at 4125 Westown Parkway, so that the building could be used by an employer to retain employees and grow in the City.

The City anticipated providing incentives to the Developer in the form of rebates of the Tax Increment under Iowa Code Section 403.19 produced from the remodeling. The City anticipated that the amount of rebates of Tax Increment to Developer would not be greater than $200,000. The City also anticipated using Tax Increment from the Area to pay for legal, engineering, and planning costs associated with the formation and ongoing administration of this Plan and the Project in an amount not to exceed $15,000.

Since the adoption of the original Plan, the aggregate amount of potential rebates of Tax Increment to Developer has increased and is now anticipated not to exceed $600,000. In addition, the City anticipates using up to an additional $15,000 (over and above the $15,000 identified in the original Plan) in Tax Increment from the Area to pay for legal, engineering, and planning costs associated with this Amendment and the ongoing administration of the Plan and the Project.

VI. CITY INDEBTEDNESS

At the present time, it is estimated that the maximum amount of City indebtedness which will qualify for tax increment reimbursement for the Project, as updated, including those legal, planning, and engineering costs associated with developing and administering the Urban Renewal Plan/Area/Project, will not exceed $630,000. This document is for planning purposes only. The estimated Project costs in this Amendment are estimates only and will be incurred and spent over a number of years. In no event will the City's constitutional debt limit be exceeded.

Currently, the City of West Des Moines' outstanding general obligation indebtedness is $110,786,350. Article XI, Section of the Constitution of the State of Iowa limits the amount of City debt outstanding at any time to no more than five (5) percent of the value (as shown by the last certified state and county tax list) of all taxable property within the City. The City's constitutional debt limit is $320,458,082 as of July 1, 2015.

VII. LAND USES AND DEVELOPMENT PLAN

The Area is currently planned for the following land uses:

- Professional Commerce Park (PCP)

The Plan, as amended, is consistent with the existing West Des Moines Comprehensive Plan adopted on September 20, 2010. The West Des Moines Comprehensive Plan is the City's general plan for the development of the City as a whole. In addition, the proposed urban renewal projects as described in this Plan, as amended, are consistent with the West Des Moines Comprehensive Plan. This Urban Renewal Plan, as amended, does not change or in any way replace the City's current land use planning or zoning regulation process.

If there is a need for improved traffic, public transportation, public utilities, recreational and community facilities, or other public improvements within the Urban Renewal Area, it would be set forth in the Plan, as amended.

VIII. URBAN RENEWAL PLAN AMENDMENTS

The **4125 Westown Parkway** Urban Renewal Plan may be amended from time to time for a variety of reasons, including but not limited to, adding or deleting land, adding or changing urban renewal projects, or to modify goals or types of renewal activities.

The City Council may further amend this Plan in accordance with applicable state law.

IX. EFFECTIVE PERIOD

This Amendment No. 1 will become effective upon its adoption by the City Council. Notwithstanding anything to the contrary in the Urban Renewal Plan, any prior amendment, resolution, or document the Urban Renewal Plan shall remain in effect until terminated by the City Council, and the use of incremental property tax revenues, or the "division of revenue," as those words are used in Chapter 403 of the Code of Iowa, will be consistent with Chapter 403 of the Iowa Code. The division of revenues shall continue on the Area for the maximum period allowed by law.

X. REPEALER

Any parts of the previous Plan in conflict with this Amendment are hereby repealed.

XI. SEVERABILITY CLAUSE

If any part of the Amendment is determined to be invalid or unconstitutional, such invalidity or unconstitutionality shall not affect the validity of the previously adopted Plan as a whole, or any part of the Plan or this Amendment not determined to be invalid or unconstitutional.

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