CITY OF WEST DES MOINES
CITY COUNCIL MEETING COMMUNICATION

ITEM: Approval of Agreement between the Cities of Cumming and - West Des Moines Concerning the Osmium Urban Renewal Area **DATE:** October 3, 2016

Resolution - Approving the joint agreement between the Cities of Cumming and West Des Moines

FINANCIAL IMPACT: The City will be able to utilize Tax Increment Funds from the Osmium Tax Increment Taxing District to pay for improvements associated with the construction of infrastructure, Veteran's Parkway, water lines, and sanitary sewer lines, for the Microsoft Osmium Project. Absent the agreement the City would have to pay for those improvements out of other sources.

BACKGROUND: With the announcement of the Microsoft Osmium Project, the City has started the process to construct all of the necessary public infrastructure associated with that project. It is the City's intent to utilize tax increment financing to fund those public improvements within the proposed Osmium Urban Renewal Area utilizing funding from the proposed Osmium TIF District. Because the infrastructure that is to be constructed is not totally within the corporate limits of the City of West Des Moines, State Code Section 403.17(4) requires the City to get the consent of the appropriate jurisdiction to include property within their territory to be included within our Urban Renewal Area. The City of Cumming has granted that consent for the inclusion of some of their jurisdiction into the proposed Osmium Urban Renewal Area. In addition to the approval of the consent resolution, the City of Cumming also requested approval of an agreement that basically confirmed the resolution that they passed, (see Exhibit II).

OUTSTANDING ISSUES (if any): There are no outstanding issues.

RECOMMENDATION: That the City Council pass a resolution, authorizing the Mayor to sign the agreement.

Lead Staff Member: Clyde E. Evans, AICP, Community and Economic Development

STAFF REVIEWS

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

PUBLICATION(S) (if applicable)

Published In	N/A
Dates(s) Published	N/A

SUBCOMMITTEE REVIEW (if applicable)

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

Attachments:
- Exhibit I — Resolution
- Exhibit II — Agreement
- Exhibit III — Map of territory to be included in the proposed Osmium URA

Prepared by: Clyde Evans, Community & Economic Development, PO Box 65320, W.D.M., IA 50265-0320, 515-273-0770
When Recorded, Return to: City Clerk, City of West Des Moines, PO Box 65320, West Des Moines, IA 50265-0320

RESOLUTION

RESOLUTION APPROVING AN AGREEMENT WITH THE CITY OF CUMMING FOR THE INCLUSION OF PROPERTY LOCATED IN THE CITY OF CUMMING IN A PROPOSED OSMIUM URBAN RENEWAL AREA BEING CREATED BY THE CITY OF WEST DES MOINES

WHEREAS, the City of West Des Moines, Iowa, ("West Des Moines") is proposing to adopt the Osmium Urban Renewal Plan ("the Plan") for the Osmium Urban Renewal Area (the "Urban Renewal Area"), pursuant to Chapter 403 of the Code of Iowa (the "Urban Renewal Law"), in order to undertake activities authorized by the Urban Renewal Law; and

WHEREAS, the amendment to the Plan is expected to authorize certain infrastructure improvements as urban renewal projects, some of which projects are expected to be constructed in the City of Cumming; and

WHEREAS, it is expected that the cost of constructing the infrastructure improvements will be funded from incremental tax revenue generated by the Microsoft Corporation regional data center located within the proposed Osmium Urban Renewal Area, which revenues are expected to be collected by the County, and provided to West Des Moines under the Urban Renewal Law; and

WHEREAS, in order to allow incremental tax revenues to be used to fund the infrastructure improvements on property within the City of Cumming (see attached map), such property must be added to and included in the proposed West Des Moines Osmium Urban Renewal Area by the proposed amendment to the Plan; and

WHEREAS, the property in question is within the corporate limits of the City of Cumming, and the City of West Des Moines will not adopt a TIF Ordinance covering land within the City of Cumming that is within the Urban Renewal Area; and

WHEREAS, Section 403.17(4) of the Code of Iowa provides that no property may be included in a City's urban renewal area that lies in a neighboring city [Cumming] unless a

resolution has been adopted by the governing body of the [neighboring] city declaring a need to be included in the area.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of West Des Moines, Iowa, as follows:

1. The City of West Des Moines declares a need to have certain property within the City of Cumming included in the proposed area of the West Des Moines Osmium Urban Renewal Area as depicted in the proposed Osmium Urban Renewal Plan.

2. The City of Cumming has further authorizes the governing body of the City of West Des Moines to pass any resolution necessary to designate the property as part of the proposed Osmium Urban Renewal Area under Chapter 403 of the Code of Iowa, and to proceed with activities authorized under said Chapter.

3. This resolution is contingent on the City of West Des Moines not adopting an ordinance pursuant to Iowa Code Section 403.19 implementing tax increment financing on the property within the City of Cumming.

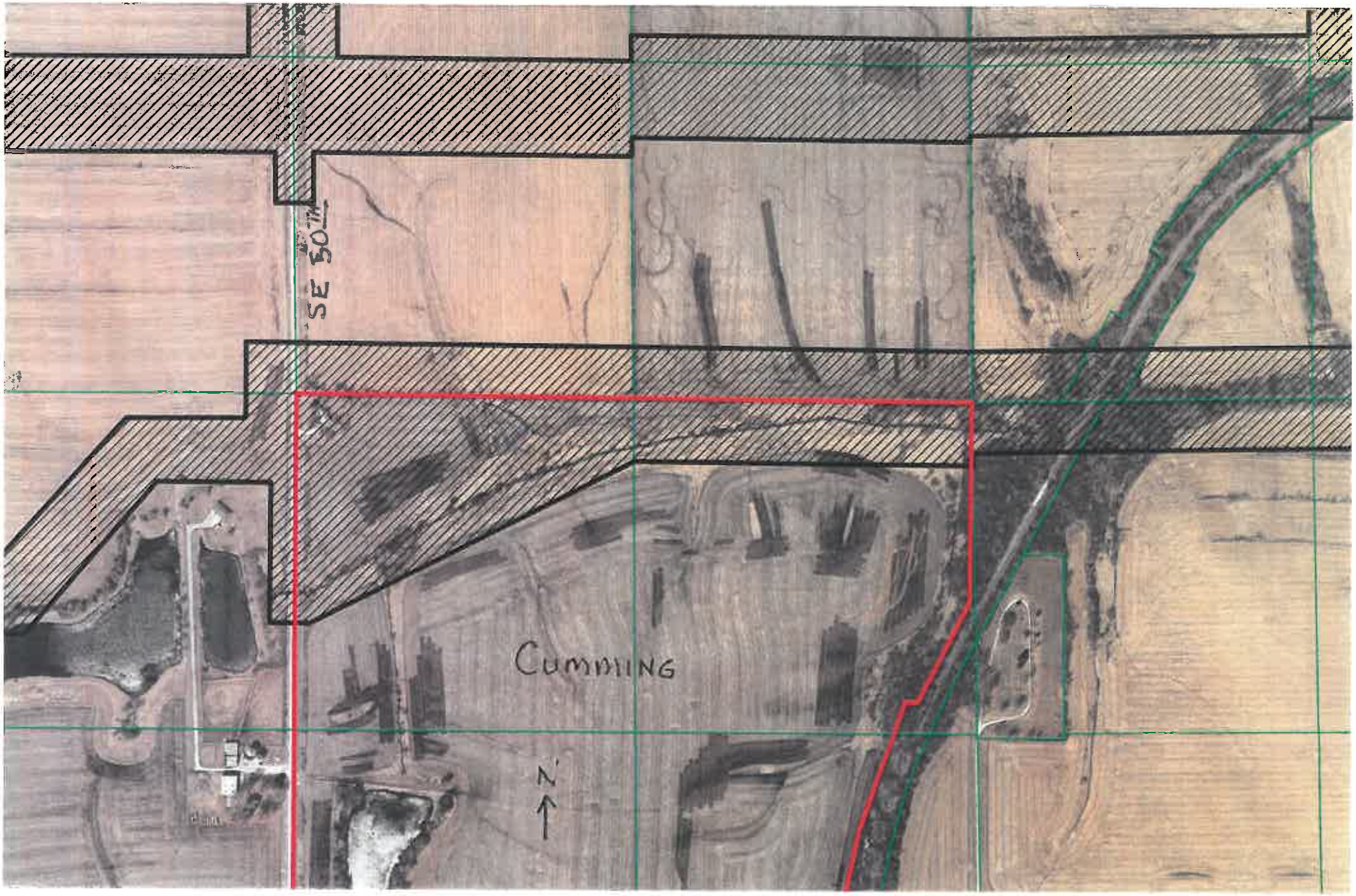
4. That the City Council authorizes the Mayor to sign the Joint Agreement with the City of Cumming.

PASSED AND APPROVED this ____ day of _____, 2016.

_____
Steven K. Gaer, Mayor

ATTEST:

_____
Ryan T. Jacobson, City Clerk


SE 50TH
CUMMING
N

I-35
CUMMING
SW 60TH ST
N

JOINT AGREEMENT

WHEREAS, the City of West Des Moines, Iowa, ("West Des Moines") is proposing to adopt the Osmium Urban Renewal Plan ("Plan") for the Osmium Urban Renewal Area (the "Urban Renewal Area"), pursuant to Chapter 403 of the Code of Iowa (the Urban Renewal Chapter), in order to undertake activities authorized by that Chapter; and

WHEREAS, the Plan is expected to authorize, among other things, construction of infrastructure (including a sewer line) as urban renewal projects, and a portion of said infrastructure is expected to be constructed by the City of West Des Moines within the City of Cumming, Iowa; and

WHEREAS, it is expected that the infrastructure will benefit Microsoft Corporation's construction of a regional data center within the Osmium Urban Renewal Area; and

WHEREAS, this infrastructure is also expected to provide benefits to the residents and businesses of the City of Cumming, the City of West Des Moines, and surrounding municipalities; and

WHEREAS, it is expected that the cost of constructing the infrastructure within the City of Cumming will be funded in part from incremental tax revenue generated by the Microsoft Corporation regional data center located within the Osmium Urban Renewal Area, which revenues are expected to be collected by the County and provided to West Des Moines under the Urban Renewal Chapter; and

WHEREAS, in order to allow incremental tax revenues to be used to fund the construction of the infrastructure within the City of Cumming, property where the Microsoft Corporation regional data center will be located as well as property where the infrastructure will be constructed must be included in the Osmium Urban Renewal Area by the Plan; and

WHEREAS, the Plan proposes that property within the corporate boundaries of the City of Cumming be included in the land to be included in the Osmium Urban Renewal Area by the Plan (see attached map); and

WHEREAS, the City of West Des Moines will not adopt a TIF Ordinance covering the property located within the City of Cumming; and

WHEREAS, Section 403.17(4) of the Code of Iowa provides that no property may be included in a City's urban renewal area that lies in a neighboring city "unless a resolution has been adopted by the governing body of the [neighboring] City declaring a need to be included in the area"; and

WHEREAS, in addition to the City of Cumming adopting the aforementioned resolution ("Resolution"), the City of Cumming and the City of West Des Moines have decided to further document the arrangement through this Joint Agreement.

NOW THEREFORE, THE CITY OF CUMMING, STATE OF IOWA, AND THE CITY OF WEST DES MOINES, STATE OF IOWA, AGREE AS FOLLOWS:

1. The City Council of the City of Cumming, State of Iowa hereby agrees and authorizes the City of West Des Moines, State of Iowa, to proceed with adopting the Osmium Urban Renewal Plan, and the undertaking of the eligible urban renewal projects and the exercise of urban renewal powers within the Osmium Urban Renewal Area, including that portion of the Area within the boundaries of the City of Cumming. This Agreement is contingent on the City of West Des Moines not adopting an ordinance pursuant to Iowa Code Section 403.19 implementing tax increment financing on property within the corporate boundaries of the City of Cumming, absent express written permission from the City of Cumming in the form of an amendment to this Agreement.

2. This Joint Agreement and the aforementioned Resolution are intended to meet the requirements of Iowa Code Chapter 403.17(4) with respect to the Osmium Urban Renewal Area established by City of West Des Moines, State of Iowa.

3. This Joint Agreement has been duly authorized by the governing bodies of the City of Cumming, State of Iowa and the City of West Des Moines, State of Iowa.

PASSED AND APPROVED this _____ day of _____, 2016.

CITY OF CUMMING, STATE OF IOWA

_____
Mayor

ATTEST:

_____
City Clerk

STATE OF IOWA)
) SS
COUNTY OF WARREN)

On this _____ day of _____, 2016, before me a Notary Public in and for the State of Iowa, personally appeared _____ and _____ to me personally known, who being duly sworn, did say that they are the Mayor and City Clerk, respectively, of the City of Cumming, State of Iowa, a Municipal Corporation, and that the seal affixed to the foregoing instrument is the seal of said Municipal Corporation, and that said instrument was signed and sealed on behalf of said Municipal Corporation by authority and resolution of its City Council, and said Mayor and City Clerk acknowledged said instrument to be the free act and deed of said Municipal Corporation by it voluntarily executed.

_____
Notary Public in and for Warren County, Iowa

PASSED AND APPROVED this _____ day of _____, 2016.

CITY OF WEST DES MOINES, STATE OF IOWA

_____
Mayor

ATTEST:

_____
City Clerk

STATE OF IOWA)
) SS
COUNTY OF POLK)

On this _____ day of _____, 2016, before me a Notary Public in and for said County, personally appeared _____ and _____ to me personally known, who being duly sworn, did say that they are the Mayor and City Clerk, respectively, of the City of West Des Moines, State of Iowa, a Municipal Corporation, created and existing under the laws of the State of Iowa, and that the seal affixed to the foregoing instrument is the seal of said Municipal Corporation, and that said instrument was signed and sealed on behalf of said Municipal Corporation by authority and resolution of its City Council, and said Mayor and City Clerk acknowledged said instrument to be the free act and deed of said Municipal Corporation by it voluntarily executed.

_____
Notary Public in and for Polk County, Iowa

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EXHIBIT III

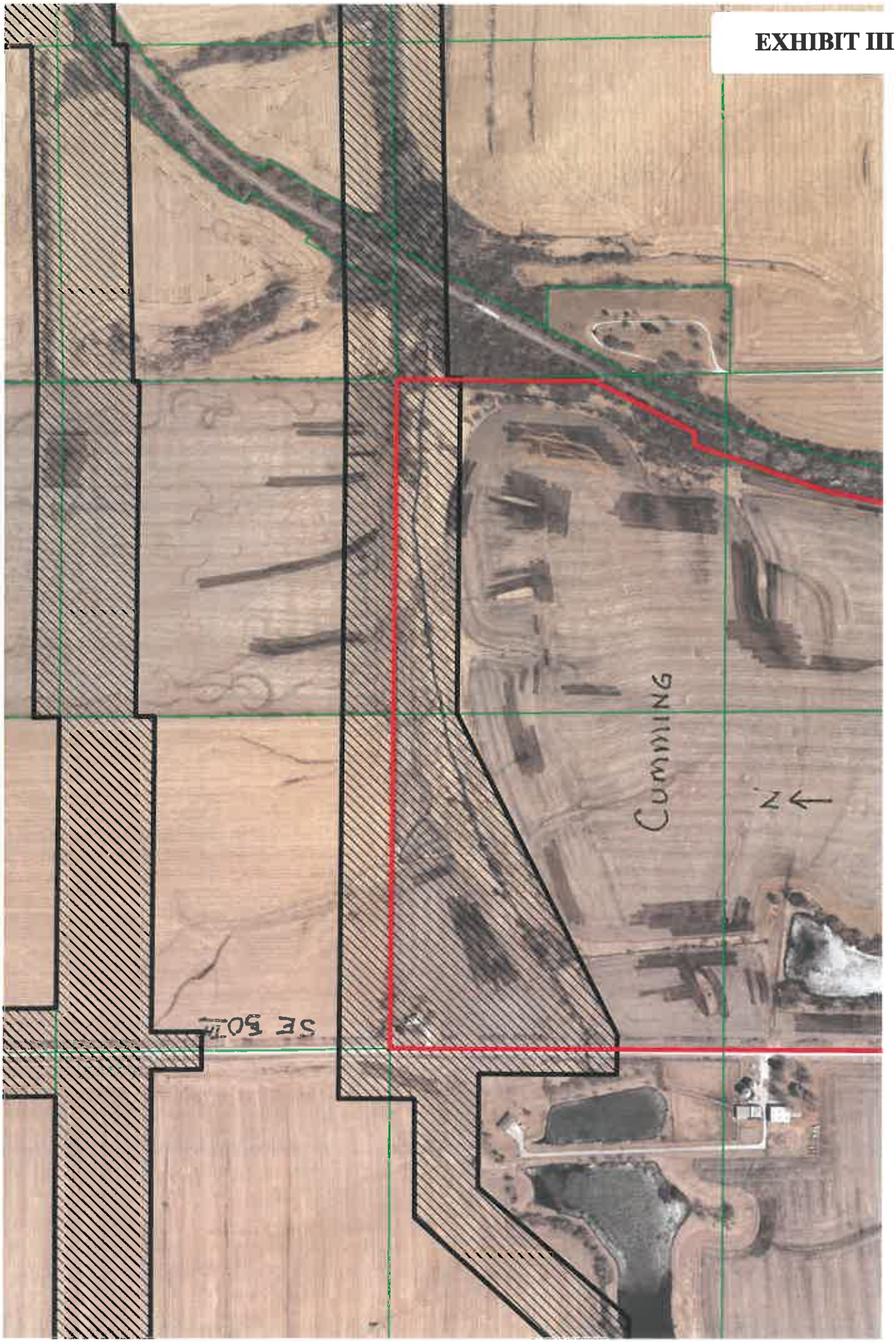
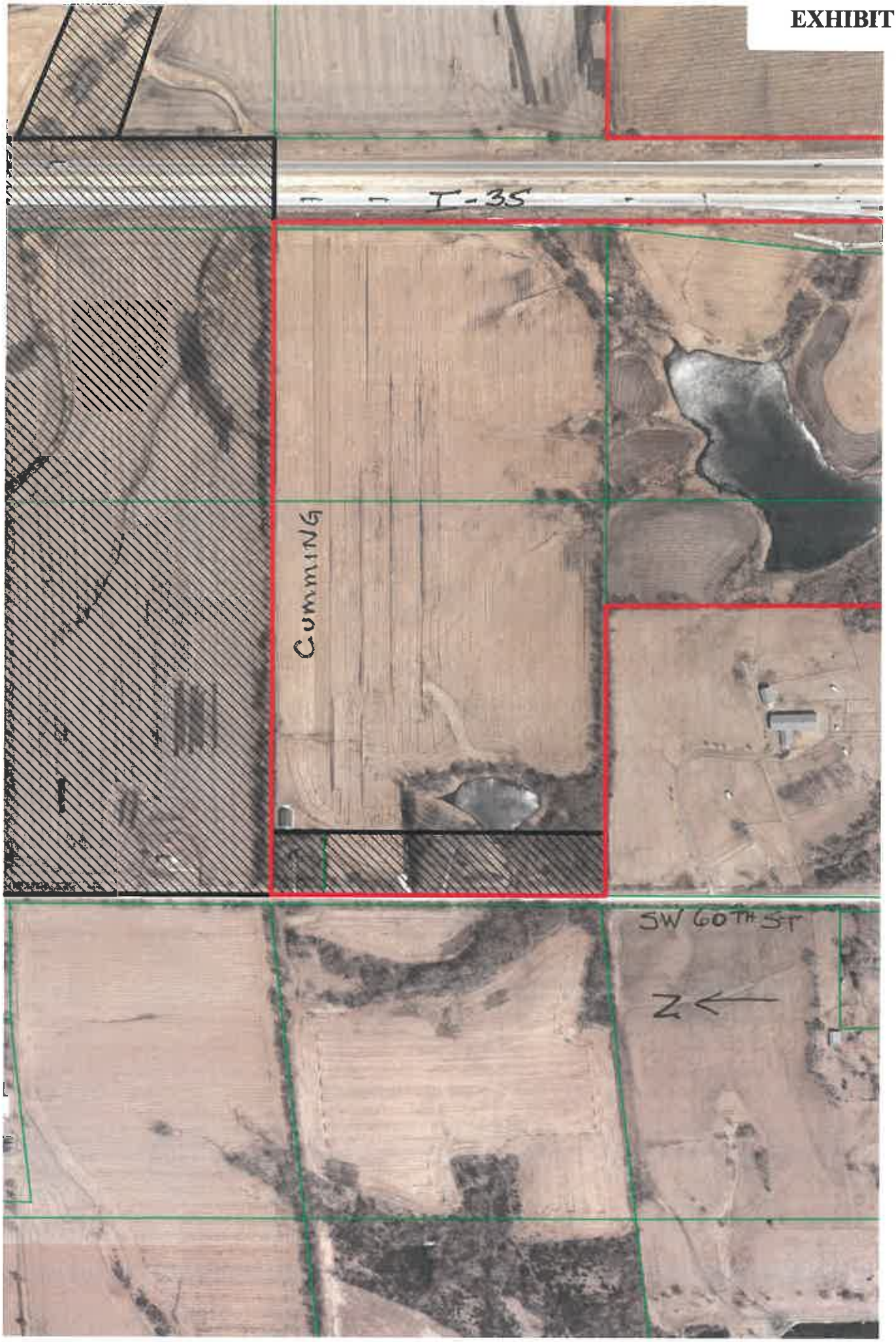
EXHIBIT III