CITY OF WEST DES MOINES
CITY COUNCIL MEETING COMMUNICATION

ITEM: Ashworth Corridor Urban Renewal Area Amendment No. 3 - City Initiated **DATE: June 11, 2018**

RESOLUTION: Approval of the Resolution adopting Amendment No. 3 to Ashworth Corridor Urban Renewal Area

FINANCIAL IMPACT: Because of Development Agreements, the City is initiating within this Urban Renewal Area, the City anticipates expending not more than $280,000.

BACKGROUND: The City Council approved the original Ashworth Corridor Urban Renewal Plan in 2009, and the Plan was amended in 2016 and 2017. This Amendment No. 3 will not change the Urban Renewal Area boundary. Instead, this Amendment No. 3 identifies additional projects as well as economic development projects within the Plan, which include traffic signals and fiber optic installation projects.

The additional infrastructure projects identified in this Amendment No. 3 are not commitments within proposed or outstanding Development Agreements within this Urban Renewal Area. The inclusion of these projects within the Plan allows the eligibility of funding with TIF in the future, upon City Council approval, if the TIF funds become available.

The City plans to enter into Development Agreements with Ballenger Real Estate, LLC, and LTR Pointe Properties, LLC, which have both been approved by City Council under the Property Tax Rebate Program.

OUTSTANDING ISSUES: There are no outstanding issues regarding this proposed amendment.

RECOMMENDATION: Staff recommends the approval of the Resolution approving the amendment to the urban renewal plan.

Lead Staff Member: Katie Hernandez, Business Development Coordinator KH

STAFF REVIEWS

Department Director	Clyde Evans, Community and Economic Development Department CE
Appropriations/Finance	Tim Stiles, Finance Director
Legal	JBW
Agenda Acceptance	KN

PUBLICATION(S) (if applicable)

Published In	Des Moines Register	
Date(s) Published	6/1/2018	
Letter sent to surrounding property owners		N/A

SUBCOMMITTEE REVIEW (if applicable)

Committee	Finance & Administration		
Date Reviewed	4/11/2018		
Recommendation	Yes X☐	No ☐	Split ☐

ATTACHMENTS:

Exhibit I - Proposed Ashworth Corridor Urban Renewal Plan Amendment No. 3
Exhibit II - Resolution

CITY OF WEST DES MOINES, IOWA

URBAN RENEWAL PLAN AMENDMENT #3
ASHWORTH CORRIDOR URBAN RENEWAL AREA

June, 2018

The Urban Renewal Plan (the "Plan") for the Ashworth Corridor Urban Renewal Area (the "Urban Renewal Area") is being amended for the purpose of identifying new urban renewal projects to be undertaken therein.

1) Identification of Project. By virtue of this amendment, the list of authorized urban renewal projects in the Plan is hereby amended to include the following project descriptions:

A.

Name of Project: Ballenger Real Estate, LLC Development Project

Name of Urban Renewal Area: Ashworth Corridor Urban Renewal Area

Date of Council Approval of Project: June 11, 2018

Description of the Project: Ballenger Real Estate, LLC (the "Developer") has proposed to undertake the construction of a new office building (the "Ballenger Development Project") located at 1121 Jordan Creek Parkway in the Urban Renewal Area (the "Ballenger Development Property").

It has been requested that the City provide tax increment financing assistance to the Developer in support of the efforts to complete, operate and maintain the Ballenger Development Project.

The costs incurred by the City in providing tax increment financing assistance to the Developer will include legal and administrative fees (the "Admin Fees") in an amount not to exceed $5,500.

Description of Public Infrastructure to be Constructed in Connection with the Project: It is not anticipated that the City will undertake any public infrastructure improvements in connection with the Ballenger Development Project.

Description of Properties to be Acquired in Connection with the Project: It is not anticipated that the City will acquire real property in connection with the Ballenger Development Project.

Description of Use of TIF for the Project: The City intends to enter into a Development Agreement with the Developer with respect to the construction and use of the completed Ballenger Development Project and to provide annual appropriation economic

development payments (the "Payments") to the Developer thereunder. The Payments will be funded with incremental property tax revenues to be derived from the Ballenger Development Property. It is anticipated that the City's total commitment of incremental property tax revenues with respect to the Ballenger Development Project will not exceed $170,000, plus the Admin Fees.

B.

Name of Project: LTR Pointe Properties, LLC Development Project

Name of Urban Renewal Area: Ashworth Corridor Urban Renewal Area

Date of Council Approval of Project: June 11, 2018

Description of the Project: LTR Pointe Properties, LLC (the "Developer") has proposed to undertake the construction of a new office building (the "LTR Pointe Development Project") located at 1111 Jordan Creek Parkway in the Urban Renewal Area (the "LTR Pointe Development Property").

It has been requested that the City provide tax increment financing assistance to the Developer in support of the efforts to complete, operate and maintain the LTR Pointe Development Project.

The costs incurred by the City in providing tax increment financing assistance to the Developer will include legal and administrative fees (the "Admin Fees") in an amount not to exceed $7,500.

Description of Public Infrastructure to be Constructed in Connection with the Project: It is not anticipated that the City will undertake any public infrastructure improvements in connection with the LTR Pointe Development Project.

Description of Properties to be Acquired in Connection with the Project: It is not anticipated that the City will acquire real property in connection with the LTR Pointe Development Project.

Description of Use of TIF for the Project: The City intends to enter into a Development Agreement with the Developer with respect to the construction and use of the completed LTR Pointe Development Project and to provide annual appropriation economic development payments (the "Payments") to the Developer thereunder. The Payments will be funded with incremental property tax revenues to be derived from the LTR Pointe Development Property. It is anticipated that the City's total commitment of incremental property tax revenues with respect to the LTR Pointe Development Project will not exceed $110,000, plus the Admin Fees.

C.

Name of Project: 88th Street and Aspen Drive Traffic Signals Project

Name of Urban Renewal Area: Ashworth Corridor Urban Renewal Area

Date of Council Approval of Project: June 11, 2018

Description of Project and Project Site: The 88th Street and Aspen Drive Traffic Signals Project will consist of the installation of traffic signals at the intersection of 88th Street and Aspen Drive in the Urban Renewal Area.

It is expected that the completed 88th Street and Aspen Drive Traffic Signals Project will cause increased and improved ability of the City to provide adequate transportation infrastructure for the growth and retention of commercial enterprises in the City.

Description of Properties to be Acquired in Connection with Project: The City will acquire such easement territory and rights-of-way as are necessary to successfully undertake the 88th Street and Aspen Drive Traffic Signals Project.

Description of Use of TIF for the Project: It is anticipated that the City will pay for the 88th Street and Aspen Drive Traffic Signals Project with either borrowed funds and/or the proceeds of an internal advance of City funds on-hand. In either case, the City's obligation will be repaid with incremental property tax revenues. It is anticipated that the City's use of incremental property tax revenues for the 88th Street and Aspen Drive Traffic Signals Project will not exceed $300,000.

D.

Name of Project: Fiber Optic Installation Project

Name of Urban Renewal Area: Ashworth Corridor Urban Renewal Area

Date of Council Approval of Project: June 11, 2018

Description of Project and Project Site: The Fiber Optic Installation Project will consist of the installation of fiber optic cable conduit and a high-bandwidth fiber optic network in the Urban Renewal Area.

It is expected that the completed Fiber Optic Installation Project will cause increased and improved ability of the City to provide adequate communication infrastructure for the growth and retention of commercial and industrial enterprises in the City.

Description of Properties to be Acquired in Connection with Project: The City will acquire such easement territory and rights-of-way as are necessary to successfully undertake the Fiber Optic Installation Project.

Description of Use of TIF for the Project: It is anticipated that the City will pay for the Fiber Optic Installation Project with either borrowed funds and/or the proceeds of an internal advance of City funds on-hand. In either case, the City's obligation will be repaid with incremental property tax revenues. It is anticipated that the City's use of incremental property tax revenues for the Fiber Optic Installation Project will not exceed $750,000.

2) Required Financial Information. The following information is provided in accordance with the requirements of Section 403.17 of the Code of Iowa:

Constitutional debt limit of the City:	$359,449,675
Outstanding general obligation debt of the City:	$159,200,000
Proposed debt to be incurred in under this June, 2018 Amendment:	$1,343,000*

*It is anticipated that some or all of the debt incurred hereunder may be made subject to annual appropriation by the City Council.

RESOLUTION NO._____

Resolution to Approve Urban Renewal Plan Amendment for the Ashworth Corridor Urban Renewal Area

WHEREAS, as a preliminary step to exercising the authority conferred upon Iowa cities by Chapter 403 of the Code of Iowa (the "Urban Renewal Law"), a municipality must adopt a resolution finding that one or more slums, blighted or economic development areas exist in the municipality and that the rehabilitation, conservation, redevelopment, development or a combination thereof, of such area or areas is necessary in the interest of the public health, safety or welfare of the residents of the municipality; and

WHEREAS, this City Council of the City of West Des Moines, Iowa (the "City") by prior resolution established the Ashworth Corridor Urban Renewal Area (the "Urban Renewal Area") and adopted an urban renewal plan (the "Plan") for the governance of projects and initiatives therein; and

WHEREAS, an amendment (the "Amendment") to the Plan has been prepared which authorizes the undertaking of new urban renewal projects (the "Projects") in the Urban Renewal Area consisting of (i) using tax increment financing to pay the costs of installing traffic signals at the intersection of 88th Street and Aspen Drive; (ii) using tax increment financing to pay the costs of installing fiber optic cable conduit and a fiber optic network; (iii) providing tax increment financing support to Ballenger Real Estate, LLC in connection with the construction of a new office building located at 1121 Jordan Creek Pkwy; and (iv) providing tax increment financing support to LTR Pointe Properties, LLC in connection with the construction of a new office building located at 1111 Jordan Creek Pkwy; and

WHEREAS, notice of a public hearing by the City Council on the proposed Amendment was heretofore given in strict compliance with the provisions of Chapter 403 of the Code of Iowa, and the Council has conducted said hearing on June 11, 2018; and

WHEREAS, copies of the Amendment, notice of public hearing and notice of a consultation meeting with respect to the Amendment were mailed to the appropriate affected taxing entities; the consultation meeting was held on the 22nd day of May, 2018; and responses to any comments or recommendations received following the consultation meeting were made as required by law;

NOW, THEREFORE, It Is Resolved by the City Council of the City of West Des Moines, Iowa, as follows:

Section 1. The Amendment, attached hereto as Exhibit 1 and made a part hereof, is hereby in all respects approved.

Section 2. It is hereby determined by this City Council as follows:

A. The Projects proposed under the Amendment conform to the general plan for the development of the City;

B. The Projects proposed under the Amendment are necessary and appropriate to facilitate the proper growth and development of the City in accordance with sound planning standards and local community objectives.

C. It is not anticipated that families will be displaced as a result of the City's undertakings under the Amendment. Should such issues arise with future projects, then the City will ensure that a feasible method exists to carry out any relocations without undue hardship to the displaced and into safe, decent, affordable and sanitary housing.

Section 3. All resolutions or parts thereof in conflict herewith are hereby repealed, to the extent of such conflict.

Passed and approved June 11, 2018.

_____
Mayor

Attest:

_____
City Clerk

(Attach copy of the urban renewal plan amendment to Exhibit 1 of this resolution.)

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Upon motion and vote, the meeting adjourned.

CITY OF WEST DES MOINES, IOWA

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