CITY OF WEST DES MOINES
CITY COUNCIL MEETING COMMUNICATION

ITEM: Amendment No. 1 to 8300 Mills Civic Parkway Urban Renewal Plan - City Initiated

DATE: June 17, 2019

RESOLUTION: Approval of Amendment No. 1 to 8300 Mills Civic Parkway Urban Renewal Plan

FINANCIAL IMPACT: The not-to-exceed amount of Grant and Connection Fees of $240,000 in the original Plan is being corrected to reflect $270,000 due to actual costs of connection fees. This will be offset by TIF revenue from the project.

BACKGROUND: The original 8300 Mills Civic Parkway Urban Renewal Area was adopted on March 18, 2019 to facilitate the Development Agreement for the Sammons Financial Group project and public infrastructure projects.

This Amendment No. 1 to the 8300 Mills Civic Parkway Urban Renewal Plan is necessary in order to correct the amount of Grant and Connection Fees within the original Plan. The original Plan referenced a not-to-exceed amount of $240,000. Due to a miscalculation by City staff, the figure should be corrected to reflect $270,000 due to actual costs of connection fees.

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 E. Evans, Director, Community and Economic Development
Appropriations/Finance	Tim Stiles, Finance Director
Legal	
Agenda Acceptance	

PUBLICATION(S) (if applicable)

Published In	Des Moines Register
Dates(s) Published	June 7, 2019

SUBCOMMITTEE REVIEW (if applicable)

Committee	F&A		
Date Reviewed	4/17/2019		
Recommendation	☒ Yes	☐ No	

ATTACHMENTS:

Exhibit I - Resolution
Attached as Exhibit I within the Resolution -
8300 Mills Civic Parkway Urban Renewal Plan Amendment No. 1

RESOLUTION NO._____

Resolution to Approve Urban Renewal Plan Amendment #1 for the 8300 Mills Civic Parkway 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 8300 Mills Civic Parkway 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 for the purpose of updating the urban renewal project (the "Project") in the Urban Renewal Area consisting of (i) providing tax increment financing support to Sammons Financial Group, Inc. in connection with the construction of a multi-story office building and related improvements for use in the business operations of Midland National Life Insurance Company; 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 17, 2019; 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 28th day of May, 2019; 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 Project proposed under the Amendment conforms to the general plan for the development of the City;

B. The Project proposed under the Amendment is 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 17, 2019.

_____
Mayor

Attest:

_____
City Clerk

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

EXHIBIT 1
Urban Renewal Plan Amendment #1

CITY OF WEST DES MOINES, IOWA

URBAN RENEWAL PLAN AMENDMENT NO. 1
8300 MILLS CIVIC PARKWAY URBAN RENEWAL AREA

June, 2019

The Urban Renewal Plan (the "Plan") for the 8300 Mills Civic Parkway Urban Renewal Area (the "Urban Renewal Area") is being amended for the purpose of updating the list of eligible projects.

1) Update to Previously Approved Urban Renewal Project. By virtue of this amendment, the list of authorized urban renewal projects in Section V. of the Plan is hereby amended to update the following project description:

Name of Project: Midland National Life Insurance Company Development Project (A)

Original Date of Council Approval of Project: March 18, 2019

Date of Council Approval of Amended Project: June 17, 2019

Description of the Amended Project: Numerous urban renewal projects were authorized prior to the date of this Amendment, and are continuing with no change. Such projects are listed in the original Plan.

One of the projects identified in the original Plan involved providing incentives to Midland National Life Insurance Company (the "Developer") and Sammons Financial Group, Inc. ("Sammons") related to the construction of the Sammons Financial Group office building in the Area. The City anticipated providing incentives for this project in the form of a rebate ("Phase I and Phase II Payments"), economic development payments based on employment ("Employment Incentive Payments"), an economic development grant for a portion of the cost of Sidewalk Improvements ("Grant"), an economic development grant to reimburse the Developer for certain water and sewer connection fees ("Connection Fees"), and the cost of the Electrical Box Relocation Project in relation to this project. The source of these incentives is a portion of the tax increment under Iowa Code Section 403.19 produced from the construction of the office building. In the original Plan, the City anticipated that the aggregate amount of the Grant and Connection Fees would not exceed $240,000. Due to a miscalculation of the figure of total Connection Fees, the total amount of the Grant and Connection Fees has increased. The City now anticipates that the amount of incentives to be provided to the Developer and funded through tax increment will not exceed $270,000. Actual expense could change due to a variety of factors, including but not limited to changes in tax levies or rates, changes in tax laws, changes in assessed values, changes in fee rates, and other factors.

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:	$396,559,236
Outstanding general obligation debt of the City:	$195,200,000
Proposed debt to be incurred in under this June, 2019 Amendment:	$30,000*

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