



OFFICE OF THE CITY ADMINISTRATOR

Johnston, Iowa

AGENDA COMMUNICATION

August 25, 2008

SUBJECT: Determine if the proposed NW 100th Street Urban Renewal Plan is in conformance with the general plan for development in Johnston

ACTION REQUIRED:

- Ordinance
- Resolution
- Approval
- Receive/File
- Attorney Review

SYNOPSIS:

The Economic Development Sub-committee and the City Council has recommended the establishment of a new Urban Renewal Area to include West Park, the corridor of NW 100th Street, the commercial areas on the south and north side of NW 62nd Avenue, west of NW 100th Street (Adam Ridge and Regency Commercial), and on the south of side of NW 62nd Avenue, east of NW 100th Street (Mom's Gift, L.L.C.). Establishing an Urban Renewal Area will enable the city to provide Tax Increment Financing as an incentive for development and enable the area to be more competitive with other commercial areas around the metro. Tax Increment Financing may be used for purposes described in section E of the attached plan.

The action of the Commission is to determine if the Economic Development Plan for the NW 100th Street Area is in conformance with the general plan for the development of the city.

Attached are the proposed plan and a map that shows the location of the proposed Urban Renewal Area.

FISCAL IMPACT:

To be determined

RECOMMENDATION:

ECONOMIC DEVELOPMENT PLAN
FOR THE
NW 100th STREET AREA
OF THE CITY OF JOHNSTON, IOWA

A. INTRODUCTION AND FINDINGS

The city of Johnston, Iowa, was originally settled in the 1800's, and eventually incorporated in 1969. Prior to the city connecting to the Des Moines Water Works in 1975, Johnston had no municipal utility systems. Also prior to the city's incorporation, the community had developed with a mix of land uses and structures which are not compatible with the city's current Comprehensive Plan. The city inherited areas which are underdeveloped with non-conforming uses and inadequate infrastructure.

Johnston has the unique physical characteristic of being divided into an east and west side. The primary barriers that divide the community consist of the Beaver Creek flood plain, Pioneer Hi-Bred International, Inc. test fields and Camp Dodge. Although development continues to occur on both sides of the community, development on the west side escalated tremendously with the construction of Interstate 35/80 interchange at NW 86th Street in 1994.

The NW 100th Street Economic Development Area consists of two commercial areas connected by the NW 100th Street right of way. The West Park area (originally known as Johnston Commerce Park) on the northeast quadrant of the intersection of NW 100th Street and NW 54th Avenue was platted in 2004. This parcel was originally located in the Beaver Creek West Economic Development area. The other commercial area consists of commercially zoned property in the vicinity of the intersection of NW 100th Street and NW 62nd Avenue. Commercial areas are on the north and south side of NW 62nd Avenue, west of NW 100th Street, and on the south side of NW 62nd Avenue, east of NW 100th Street. The area on the south side of NW 62nd Avenue, west of 100th Street was platted by Jerry's Homes in 2005. The area on the north side of the street was platted by Regency Commercial in 2006. The area east of NW 100th Street is owned by Mom's Gift, L.L.C. and is not platted.

NW 100th Street is the western most north/south collector street in the community. It connects to the east/west collectors of NW 70th Avenue and NW 62nd Avenue as well as NW 54th Avenue. The Johnston portion begins at the intersection of NW 54th Avenue extends north and terminates at Camp Dodge. South of NW 54th Avenue NW 100th Street connects into the city of Urbandale via a bridge over Interstate 35/80. Along its corridor is a mixture of residential and commercial uses as well as two Johnston Community School District facilities (Horizon Elementary and Summit Middle School).

By creating economic development opportunities along this corridor, the city will be able to encourage business growth, increase the property tax base and opportunities for employment. The city will also be able to support important infrastructure improvements to the intersections of NW 100th Street and NW 54th Avenue and NW 100th Street and NW 62nd Avenue (including improvements to NW 100th Street).

In recognition of the economic development potential and the need for public improvements within the NW 100th Street area, the City has initiated this economic development plan. The primary goals of the economic development plan are to stimulate, through public action and commitments, private investment that is needed to alleviate the escalating tax burden on property owners and sustain a more balanced ratio between non-residential and residential tax base within the city. In order to achieve the goals of this Economic Development Plan, Johnston will undertake the urban renewal action specified in this plan, pursuant to the powers granted to it under Chapter 403 of the Code of Iowa, Urban Renewal Law as amended.

B. LEGAL DESCRIPTION AND DESIGNATION

There is hereby created a NW 100th Street Economic Development Area, which is an urban renewal area designated as an economic development district that is appropriate for the promotion of new commercial and industrial development. The boundaries of the NW 100th Street Economic Development Area illustrated on Exhibit "A" are described as follows:

See Exhibit B.

C. GOALS OF THE PLAN

This economic development plan is established to achieve the following goals for the NW 100th Street Economic Development Area:

1. To enhance an area in the city for the purpose of stimulating private investment in commercial and industrial development and redevelopment through public action and commitments.
2. To increase commercial and industrial development in Johnston which will improve the economic and social environment of the community and sustain a desired balance between the non-residential and residential tax burden.

3. To provide adequate public infrastructure of sanitary sewer, storm water management, potable water, streets, and pedestrian walkways to ensure the public health, safety, and welfare.
4. To provide assistance and economic incentives for commercial and industrial development which may not otherwise occur without such assistance and incentives.

D. LAND USE, ACQUISITION AND ZONING

In 1998, the City of Johnston adopted a general plan for the physical development of the entire city titled the Johnston Comprehensive Plan. The goals and objectives of this economic development plan are consistent with the Johnston Comprehensive Plan as adopted.

While the City's primary goal is to stimulate private investment in commercial and industrial development in the renewal area, the plan is not intended to discourage or prohibit other types of development. The existing zoning in the economic development area is predominately commercial and industrial, similar to the Comprehensive Plan. Implementation of the economic development plan shall be compatible with the city's Comprehensive Plan and in accordance with the city's Zoning Ordinances and Zoning Map as may be amended from time to time. This economic development plan does not change or in any way replace the city's current land use planning or zoning regulations in process.

There are no planned zoning district changes on the parcels located at NW 54th Avenue and NW 100th Street (West Park) and on the parcels west of NW 100th Street along NW 62nd Avenue. The parcel east of NW 100th Street, south of NW 62nd Avenue (Mom's Gift L.L.C.) has an agriculture zoning designation and will be rezoned to a commercial use when the property is platted for development.

E. TYPE OF ECONOMIC DEVELOPMENT ACTIVITIES

Renewal activities are designed to provide opportunities, incentives, infrastructure and sites for community economic development purposes including but not limited to:

1. New, rehabilitated, converted, or expanded industrial uses within the industrial land use areas.
2. New, rehabilitated, converted, or expanded commercial uses within the commercial land use areas.

General development activities in the NW 100th Street Area may include:

1. To arrange for or cause to be provided the construction or repair of public infrastructure including streets, storm sewers, sanitary sewers, water mains or other facilities in connection with an economic development project.
2. To provide for the construction of specific site improvements such as grading and site preparation activities, access roads and parking, storm water management, fencing, utility connections, and related activities.
3. To develop provisions for financing projects to implement the economic development plan, including, but not limited to, general obligation bonds, tax increment financing, special assessment bonds, revenue bonds, and state and federal grants and loans.
4. To cause or provide for the construction or installation of street lighting, street plantings, street furniture or other street fixtures desired to achieve high standards of aesthetic value.
5. To assemble property through a variety of means (purchase, lease, options, etc.) and to hold, clear, or prepare the property for redevelopment, development, or public use which benefits the commercial and industrial development in the economic development area.
6. To dispose of property acquired for redevelopment or development.
7. To undertake the demolition and clearance of existing buildings and structures to prepare property for redevelopment.
8. To plan relocation of persons and businesses displaced by a project and to make necessary relocation payments.
9. To make loans or grants to private persons for economic development purposes on such terms as may be determined by the City Council.
10. To borrow money and to provide security therefore.
11. To make or have made surveys and plans necessary for the implementation of the economic development program or specific economic development projects.
12. To use tax increment financing to achieve a more marketable and competitive land offering price and to provide for necessary physical improvements and infrastructure.

13. The use of any or all other powers granted by Chapter 403, Code of Iowa to develop and provide for improved conditions for the City of Johnston and the State of Iowa.

F. DEVELOPMENT PROJECTS

Proposed projects in the NW 100th Street Economic Development Area are all related to stabilizing, revitalizing and improving the community by encouraging economic development activity and by improving the quality of life in the City of Johnston. Although certain urban renewal projects may occur over a period of years, the first proposed projects include:

1. The development of six commercial office buildings in West Park.
2. The reconstruction of the intersection of NW 54th Avenue and NW 100th Street.
3. The reconstruction of NW 62nd Avenue, west of NW 100th Street.

G. BASE YEAR

In order to utilize tax increment financing, the economic development area will be designated by ordinance as a special taxing district. Assuming the district is legally established and debt is certified prior to December 1, 2008, the total taxable valuation within the district as of January 1, 2007 will be considered the base valuation. If debt is not certified until a later date, the base value will be the assessed value of the taxable property in the economic development area as of January 1 of the calendar year preceding the calendar year in which the City first certifies to the county auditor the amount of any debt.

H. DEBT

The current general obligation debt of the city is \$ 38,970,000. The current constitutional debt limit of the city is \$81,362,961. Proposed amount of indebtedness to be incurred: Although a specific amount of debt to be incurred in the urban renewal area has not been determined, the maximum anticipated amount is \$6,000,000.

I. ECONOMIC DEVELOPMENT PLAN AMENDMENTS

This plan may be amended from time to time to include changes in the area boundaries, to add to or change the Economic Development Plan's goals, and to add to or change the types of economic development activities. The Johnston City Council may amend this plan after holding a public hearing on the proposed change in accordance with applicable State law.

I. EFFECTIVE PERIOD

This Economic Development Plan will become effective upon its adoption by the City of Johnston and will remain in effect as a plan until it is repealed by the City. During the life of this plan, the City may designate all or any portion of the property covered by this plan as a "tax increment area." With respect to any property covered by this plan which is included in an ordinance which designates that property as a tax increment area, 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, is limited to twenty (20) years from the calendar year following the calendar year in which the City first certifies to the County Auditor the amount of any loans, advances, indebtedness, or bonds which qualify for payment from the incremental property tax revenue attributable to that property.

Exhibit 'B'

NW 100th Street Economic Development Area

Lots 56, 57, Lot E, Lot H and Lot I and Outlot X and the Southerly 481.98 Feet measured along the platted centerline of Roadway of Lot F of Providence Point Plat 1 an Official Plat, City of Johnston, Polk County, Iowa

And

Lot 8 and Street Lot A of Providence Point Plat 2 an Official Plat, City of Johnston, Polk County, Iowa

And

Lots 1, 2, 3, 5, 6 and Lots A, B, C, E, F and the Northerly 517.96 Feet measured along the platted centerline of roadway of Lot D of Adam Ridge Plat 1 an Official Plat, City of Johnston, Polk County, Iowa

And

Lots 1 and 2, Adam Ridge Plat 3 an Official Plat, City of Johnston, Polk County, Iowa

And

Lot 1 Frampton Park Plat 1 and Outlot 'B' an Official Plat, City of Johnston, Polk County, Iowa

And

Lots 3, 9 and Lots B, C, and D Johnston Commerce Park Plat 1 an Official Plat, City of Johnston, Polk County, Iowa

And

Lots 6, 7, 8, 9, and 10 and Lots A and B and Johnston Commerce Park Plat 2 an Official Plat, City of Johnston, Polk County, Iowa

And

Lots 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 17, 19, 20, 21, 22 and Lots A and B and Outlot 'W' of West Park Office Plaza Plat 1 an Official Plat, City of Johnston, Polk County, Iowa

And

Lots 1 and 2, and Lot A of U.S. Cellular Plat 1 an Official Plat, City of Johnston, Polk County, Iowa

And

Lots 1 and 2, of West Park Office Plaza Plat 2 an Official Plat, City of Johnston, Polk County, Iowa

And

A Tract of Land that is more accurately described as follows:

Commencing at the South $\frac{1}{4}$ Corner of Section 4 Township 79 North Range 25 West of the 5th P.M., Polk County, Iowa; Thence S89°-54'-22"E, a distance of 832.48 Feet to the Point of Beginning, thence N00°-47'-39"E a distance of 392.02 Feet; thence S88°-30'-54"E a distance of 286.39 Feet; thence S00°-04'-31"W a distance of 385.04 Feet; thence S87°-10'34"W, a distance of 291.56 Feet to the Point of Beginning.

And

A Tract of Land that is more accurately described as follows:

Commencing at the Southeast Corner of Section 4 Township 79 North and Range 25 West of the 5th P.M. thence West 50.00 Feet along the South section line thence

continuing West along the South section line a distance of 828.74 Feet; thence North 60.00 Feet to the North Right of Way line of NW 62nd as it is presently established; thence East along the North Right of Way to the East Section line of Section 4 Township 79 North Range 25 West; thence continuing East along the North Right of Way line of NW 62nd Avenue a distance of 1324.31 Feet; thence South 60.00 Feet to a point on the North line of Section 10 Township 79 North Range 25 West; thence South 319.4 Feet to a point on the East line of the NW $\frac{1}{4}$ of said Section; thence Southwest 442.51 Feet; thence Southwest 381.49 Feet; thence West 300.60 Feet; thence Southwest 325.55 Feet to a point on the East Right of Way line of the NW 100th Street as it is presently established which is 50.00 Feet East of the West line of Section 10 Township 79 North Range 25 West; thence South along the East Right of Way line of NW 100th Street a distance of 1907.10 Feet to the South Line of the NW $\frac{1}{4}$ of Section 10; thence West a distance of 110.00 Feet; thence North a distance of 1320.18 Feet thence East a distance of 17.00 Feet; thence North a distance of 305.00 Feet; thence West a distance of 17.00 Feet; thence North a distance of 1017.60 Feet along the West Right of Way line of NW 100th Street as it is presently established to the Point of Beginning.

Exhibit A: NW 100th Street Economic Development Area



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