

**CITY COUNCIL
STAFF REPORT**

DATE: June 14, 2018
FROM: Troy Tymesen, City Administrator
SUBJECT: Atlas Preliminary Urban Renewal District Boundaries

DECISION POINT:

Are the proposed urban renewal district (URD) boundaries, shown in the attached URD exhibit and developed based on the strategy described below, acceptable in concept to the City Council?

HISTORY:

ignite cda in partnership with the City, is completing the Atlas Development Feasibility Study (“Feasibility Study”) that is intended to identify the potential Atlas site development that will result in:

1. Preservation of the waterfront as public open space.
2. Development of sufficient land sales and tax increment revenues to re-pay the City for all, or a portion of the City’s land purchase cost and fund necessary site infrastructure improvements that will facilitate land sales.
3. Creation of a unique and desirable development that reflects our community values and balances the economic realities of the site.

ignite cda will use the Feasibility Study to develop the URD Plans for expanding the existing River and Lake URD’s and creating a new Atlas URD. To expand/create the URD’s the URD plans must be:

1. Approved by the ignite cda Board and presented to the City Planning and Zoning Commission
2. Approved by the City Planning and Zoning Commission and presented to the City Council.
3. Approved by the City Council.

The URD boundaries are a key element of the URD plans. Ignite cda is presenting, below, the strategy for establishing the preliminary URD boundaries shown in the URD exhibit. For efficiency, ignite cda is seeking the City Council’s approval in concept of the preliminary boundaries to confirm, early in process, that ignite cda and the City’s strategy for URD boundaries are in alignment. If the preliminary boundaries are acceptable, City Council is requested to approve the boundaries in concept. Final City Council consideration of the boundaries will occur in step 3, above.

ignite cda’s strategy for developing the URD boundaries is as follows:

1. The Lake District is expanded to cover the waterfront public space because that area will generate a very small amount of tax increment and the Lake District’s term will expire in 2021.

2. The River District, which currently has the largest funding capacity, is expanded to cover a portion of Phase 1 (see attached phasing exhibit) to fund Phase 1 site improvements. Phase 1 site improvements will allow a variety of product type (townhomes, single family, apartment, and commercial) to develop which the market study has determined can be more quickly absorbed than a single product type. Phase 1 land sales and River District tax increment will be used to fund future phase infrastructure improvements and repay the City's land purchase cost.
3. The new Atlas District covers a portion of Phase 1, all subsequent phases and the proposed River's Edge development. The Atlas District will have the longest life providing the greatest opportunity for anticipated tax increment, along with land sales revenue, to fund infrastructure improvements and re-pay the City's land purchase costs.

FINANCIAL ANALYSIS:

The URD Boundaries are established to provide the highest probability for generating land sales and tax increment funding to re-pay the City's land purchase cost and fund site improvements.

PERFORMANCE ANALYSIS:

Receiving the City Council URD Boundary approval in concept allows ignite cda to move forward with a higher level of confidence that the City and ignite cda's strategy for establishing URD boundaries are generally in alignment. ignite cda understands approval in concept is not final approval of the URD boundaries.

DECISION POINT/RECOMMENDATION:

Staff has reviewed the URD boundary in a meeting with members of the Atlas Committee (Mayor Widmyer, Councilmembers Miller and Evans, City Administrator Tymesen, Planning Director Anderson, ignite cda Chairman Hoskins, Board Member Armon, Executive Director Berns) and the ignite cda consulting team (Welch Comer Engineers and Heartland) and recommends approval in concept of the proposed URD boundaries.