

**CITY COUNCIL COMMUNICATION 97-594
DECEMBER 22, 1997 AGENDA**

SUBJECT:

**AMENDMENT TO RIVERPOINT
CAPITOL-CENTER URBAN RENEWAL
AREA**

SUBMITTED BY:

**JAMES GRANT
COMMUNITY DEVELOPMENT DIRECTOR**

SYNOPSIS –

In June 1997, the City Council directed staff to incorporate the Sixth Avenue Urban Renewal Area into a downtown urban renewal area and tax increment finance district. Staff has drafted the necessary documents for action by the Council at this time. The following roll calls relate to the addition of an area to the Riverpoint Capitol-Center Urban Renewal Area:

- **Roll Call to Approve Fifth Amendment/Riverpoint Capitol-Center Urban Renewal Area**
The Fifth Amendment adds the Sixth Avenue Area to the urban renewal area, provides a termination date of December 31, 2020 to the urban renewal plan, designates various properties for acquisition, provides for notification to the appropriate neighborhood organization if property is proposed for acquisition or disposition, and updates the plan document and maps to incorporate these changes.
- **Roll Call to Approve Amendment to Land Use Map to the Comprehensive Plan**
The Plan and Zoning Commission on December 18 will consider an amendment to the Land Use Map of the City's Comprehensive Plan to show the area south of University Avenue extending to I-235 as "Commercial" use, which is in accordance with the planning shown for this area in the Riverpoint Capitol-Center Urban Renewal Plan land use map.
- **Roll Call to Approve Resolution of Necessity for the Sixth Avenue Area Addition**
As part of the Code of Iowa process to declare an urban renewal area, information on how the proposed area meets the statutory requirements must be approved by the City Council. The Planning Director's Report, attached to the Resolution of Necessity, details the existing conditions in the Sixth Avenue Area and determines the appropriateness of finding this area as meeting the Code of Iowa requirements to be declared an urban renewal area.
- **Roll Call to Approve Termination of the Sixth Avenue Urban Renewal Area**
It is necessary to terminate the existing Sixth Avenue Urban Renewal Plan to prevent potential

conflicts that may occur with overlapping active urban renewal plans.

- Roll Call to Approve First Reading of Ordinance to Designate the Sixth Avenue Area as a Tax Increment Finance District

In conjunction with the addition of the Sixth Avenue Area to the Riverpoint Capitol-Center Urban Renewal Area, the Sixth Avenue Area will also be designated a tax increment finance district.

FISCAL IMPACT –

The Fifth Amendment provides that a number of activities, which are detailed in the urban renewal plan and previously approved by the Council, are eligible to utilize tax increment revenues from the Riverpoint Capitol-Center Urban Renewal Area. It is anticipated that up to \$500,000 of 1998 tax increment revenues may be used to acquire property located at the northwest corner of 6th and University Avenues. The acquisition of specific properties will be brought to the Council for approval.

RECOMMENDATION –

Staff recommends approval of:

The termination of the Sixth Avenue Urban Renewal Plan;

The Resolution of Necessity (Planning Director’ s Report);

The amendment to the City’ s Comprehensive Land Use Plan;

The Fifth Amendment to the Riverpoint Capitol-Center Urban Renewal Area; and

The first reading of the tax increment district designation of the Sixth Avenue Area.

BACKGROUND –

History: In 1996, the City had previously adopted the Sixth Avenue Urban Renewal Plan which encompassed a two-three block wide area along 6th Avenue, north of University Avenue, extending to the Des Moines River. It also incorporated the former North Park Urban Renewal Area and a part of the City View Plaza Urban Renewal Area.

The Sixth Avenue Urban Renewal Plan had a significant commercial redevelopment component for properties that fronted 6th Avenue, as well as a number of lots designated for single-family housing infill. While the housing component has advanced, the lack of funding to undertake the commercial redevelopment has hindered progress.

Key Components of Fifth Amendment: The Fifth Amendment provides for a number of changes to be made to the currently-adopted Riverpoint Capitol-Center Urban Renewal Plan. In general, these changes are:

- Add an area to be known as the “ Sixth Avenue Area” to the urban renewal plan area. The Sixth Avenue Area is generally located along 6th Avenue between I-235 to Franklin Avenue.

- Designate various properties for acquisition by the City. These properties are located generally as described below:

- North side of University Avenue between 8th and 9th Streets, extending about 150 feet deep for commercial redevelopment.
- 1240 Sixth Avenue as a part of a large parcel for commercial redevelopment located at the northwest corner of Sixth and University Avenues.

Previously designated acquisition parcels, such as the lots on the north side of University Avenue between 6th and 8th Streets, extending up to Indiana Street, various single lots in the former North Park Urban Renewal area, and the northeast and northwest corners of the Sixth and College Avenues intersection, continue to be designated for acquisition.

- Incorporate a provision directing the City to notify the neighborhood organization and request comments if property within a City-recognized neighborhood is proposed for acquisition or disposition as part of the urban renewal plan. There are currently five recognized neighborhoods within the urban renewal area: Sherman Hill, CapitolView South, Pioneer Columbus/McKinley, New Visions, and River Bend.

- Provide a termination date of December 31, 2020, for the urban renewal plan.

- Revise the Financial Condition Report to reflect inclusion of the Sixth Avenue Area, a proposed expenditure \$500,000 of 1998 tax increment revenues for the purchase of property located at the northwest corner of Sixth and University Avenues, and update tax assessment and property tax levy rate figures.

- Designate the area north of University Avenue as an Affordable Housing Target Area, and a smaller portion of this area as an Affordable Single Family Housing Target Area.

- Add a new map showing Architecturally and Historically Significant Structures and Designated Historic Districts. In conjunction with this map, additional text provides general guidelines on historic preservation for projects utilizing urban renewal assistance.

- Update the urban plan document to reflect these changes.

Review of Amendment: The Fifth Amendment has been reviewed by several City boards and commissions and other organizations since the October 27 City Council meeting when the date of the public hearing was set.

- **Urban Renewal Board:** The Board, which did not have quorum at this meeting, reviewed the amendment and related items at its November 25 meeting and informally recommended approval.

- Plan & Zoning Commission: The Commission will consider an amendment to the City's Land Use Plan Map to show the Sixth Avenue area from University Avenue to I-235 as "Commercial" use from its current "Public Use" designation at its December 18 meeting, and forward its comments to the Council by a separate communication.
- Neighborhood Revitalization Board: On November 5, the Board received a presentation on the proposed Fifth Amendment and unanimously endorsed the amendment with one abstention.
- River Bend Neighborhood Association: The Association endorsed the amendment.
- Mid-City Vision Committee: The Committee unanimously endorsed the amendment.
- Tax Increment Finance– Jurisdiction Meeting: The City held a consultation meeting on the proposed use of tax increment funds in the urban renewal area on November 13 and invited Polk County, the Des Moines School District, and the Des Moines Area Community College. None of these entities attended the meeting, and as of December 3, 1997, no written comments have been received from any of these entities.

We have extensively consulted with the River Bend Neighborhood Association on this amendment, and a number of suggestions from the neighborhood were incorporated in the plan. In addition, letters were sent to all property owners of record (about 270 people or companies) in the proposed new area to let them know about the meetings. Letters were also sent to the five neighborhood organizations that are located in the Riverpoint Capitol-Center Urban Renewal Area.