

 <p style="text-align: center;"><b>Council Communication</b> Office of the City Manager</p>	<b>Date:</b> October 11, 2010
	<b>Agenda Item No.</b> 46 <b>Roll Call No.</b> <u>10-1694</u> <b>Communication No.</b> <u>10-619</u> <b>Submitted by:</b> Matt Anderson, Economic Development Administrator

**AGENDA HEADING:**

Actions relating to creation of an urban renewal/ tax increment finance plan for the SE Economic Development District Urban Renewal area.

**SYNOPSIS:**

This agenda item provides for the preparation of an urban renewal and tax increment financing (TIF) plan for the SE Economic Development District area.

Substantial opportunities to encourage new private sector investment, revitalize a regional retail landscape, and enhance quality public amenities exist in SE Des Moines. The area includes retail and service sites such as Southridge Mall that have served regional retail needs for decades, but have seen a decline in occupancy and patronage due to market shifts and new retail centers through the Greater Metro Area. Major transportation corridors including Army Post Road, Indianola Road, McKinley Avenue and SE 14<sup>th</sup> Street have seen both public and private sector investment, but still contain vacant lots and empty buildings that would benefit from redevelopment and new valuation. The area is also home to amenities including the Blank Park Zoo and Historic Fort Des Moines, which have assisted in promoting the area’s regional identity as a destination for culture, entertainment, shopping and services. Ongoing investment is necessary to continue to retain these amenities and to encourage new development and investment to augment them. The creation of an urban renewal/tax increment finance plan is recommended to assist in facilitating economic development and creating a future resource to assist with public improvement projects in this area.

**FISCAL IMPACT:**

The creation of an urban renewal area and TIF plan for economic development for the SE Economic Development District can provide a source of funding for public and private improvements. Public improvements would typically include sanitary sewer, street and stormwater infrastructure, streetscape improvements, park enhancements, green infrastructure and sidewalk and trail amenities. Private improvements would typically include the construction of new public streets, utilities and recreational amenities, and new buildings and facilities for commercial, residential or light industrial use, generating new taxable valuation and jobs for the community.

The base value of the proposed TIF area will be determined on 2009 assessments. Annual tax increment revenues for this area will be estimated using an anticipated increase in value between 1.5-2% per year.

**ADDITIONAL INFORMATION:**

A combination of variables has prompted evaluation of the southeast side of Des Moines for the creation of an economic development oriented urban renewal area. In 2006, the City Council approved to receive and file a comprehensive study of SE Des Moines, the *Des Moines South Side Revitalization Plan*. The plan analyzed demographics, population changes, infrastructure needs and market conditions for the SE side, focusing on challenges ranging from a changing regional retail landscape to preparation for new opportunities through annexation and future growth. The plan acknowledged a need to recognize and respond to conditions that detract from the area's ability to realize its full potential, whether they be vacant lots, underutilized retail space or needed infrastructure improvements. This document, and subsequent neighborhood plans, business and residential involvement and input, provided information that supports the need to pursue establishment of new investment with the assistance of an urban renewal plan and tax increment financing district.

Further analysis of needs and opportunities in SE Des Moines has been provided in the SuperBlock Master Plan, and the Fort Des Moines Historic Preservation Plan, focusing on the unique area attractions that serve as destination anchors. The areas highlighted in these planning efforts, generally between SW 9<sup>th</sup> Street, Army Post Road, SE 14<sup>th</sup> Street and County Line Road, will be the initial boundary for the development of the urban renewal plan, based on the critical need to maximize and enhance these features, increasing the ability to attract further investment and activity to SE Des Moines.

The ability to realize the potential of this area to promote development and reinvestment for the City of Des Moines will be greatly assisted by the creation of meaningful economic development tools. An urban renewal/TIF plan will allow for a full realization of the area's potential, the setting of positive short and long term goals, and the ability to create a definitive and comprehensive plan to assist in achieving the greatest possible benefit to citizens and businesses.

**PREVIOUS COUNCIL ACTION(S): NONE****BOARD/COMMISSION ACTION(S): NONE****ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:**

Upon Council receipt of the proposed urban renewal plan and tax increment finance district, the Council will direct these documents to the Urban Design Review Board, Plan & Zoning Commission and to the tax consultation entities as required by law. Informational meetings will be held with applicable neighborhood organizations.

For more information on this and other agenda items, please call the City Clerk's Office at 515-283-4209 or visit the Clerk's Office on the second floor of City Hall, 400 Robert D. Ray Drive. Council agendas are available to the public at the City Clerk's Office on Thursday afternoon preceding Monday's Council meeting. Citizens can also request to receive meeting notices and agendas by email by calling the Clerk's Office or sending their request via email to [cityclerk@dmgov.org](mailto:cityclerk@dmgov.org).