

 <p style="text-align: center;">Council Communication Office of the City Manager</p>	Date: July 9, 2012
	Agenda Item No. 32 Roll Call No. <u>12-1113</u> Communication No. <u>12-372</u> Submitted by: Phillip Delafield, Community Development Director

AGENDA HEADING:

Public Hearing regarding the proposed Ingersoll-Grand Commercial Urban Renewal Plan.

SYNOPSIS:

Ingersoll and Grand Avenues have served as important corridors and as a stable regional commercial area, but have opportunity for revitalization and redevelopment. The Ingersoll-Grand Urban Renewal/TIF Plan would assist with public improvements, facilitate economic development, and create a future resource to assist development projects in the Ingersoll-Grand Commercial Area. The plan does not propose any revision to the future land use or zoning for the subject Urban Renewal Area. Any subsequent proposal to make amendment to future land use or zoning within the area pursuant to a revised Urban Renewal Plan will be reviewed by the Plan and Zoning Commission and City Council. In addition, the allocation of any tax increment revenues is ultimately determined by City Council through separate council actions.

Based on the attached Planning Director’s report, Staff recommends approval of the following findings:

- a) The Ingersoll-Grand Commercial Urban Renewal Area constitutes an economic development area appropriate for redevelopment for commercial use.
- b) That the rehabilitation, conservation, redevelopment, development, or a combination thereof, of the Ingersoll-Grand Commercial Urban Renewal Area is necessary in the interest of the public health, safety, and welfare of the residents of the City of Des Moines.
- c) The Ingersoll-Grand Urban Renewal/TIF Plan is in conformance with the Des Moines’ 2020 Community Character Plan.

Staff recommends approval of the Ingersoll-Grand Urban Renewal Plan.

FISCAL IMPACT:

Amount: Pursuant to Table C-1 of the attached urban renewal plan it is projected that \$16,650,426 of total TIF revenue will be generated by the district (assuming 1% growth rate in assessed values). Pursuant to Council policy, it is anticipated that the City will use up to 75% of the annual tax increment revenues generated by the Ingersoll-Grand Urban Renewal Area to fund urban renewal projects undertaken by the City of Des Moines in conformance with the Ingersoll-Grand Urban Renewal Plan.

Funding Source: Tax increment revenue generated by increased assessed valuations.

ADDITIONAL INFORMATION:

The creation of an urban renewal area and TIF plan for economic development for the Ingersoll-Grand Commercial Area can provide a source of funding for public and private improvements. Public improvements would typically include sanitary sewer, storm sewer and street infrastructure, streetscape improvements, green infrastructure and sidewalk/trail amenities. Private improvements would typically include the construction of utilities and recreational amenities, and new buildings and facilities for commercial use, generating new taxable valuation and jobs for the community.

The base assessment value of the proposed TIF area will be determined using January 1, 2011 property valuations. Annual tax increment revenues for this area will be estimated using an anticipated increase in value of 1% annually. The amounts generated from the increment revenues may also serve to leverage other sources of funding to finance improvements within the area. The allocation of tax increment revenues is ultimately determined by City Council through separate council actions. Several variables have prompted evaluation of the Ingersoll-Grand Commercial Area for the creation of an economic development oriented urban renewal area. In 2004, the Ingersoll Business Association in cooperation with the City, worked with RDG Planning and Design to prepare the Ingersoll Area Improvement Plan for the Ingersoll Corridor. This report stated that neighborhood residents wanted to maintain a vibrant business community in the area. However, that document suggested that the overall physical environment could be improved through provision of parking at certain locations, the addition of improved lighting and signage, and installation of streetscape and pedestrian elements such as wider sidewalks, planters, trees, benches, and bike parking. Construction of a pilot segment of Ingersoll Avenue streetscape commenced in 2008. The overall plan contemplated the streetscape theme extending from downtown to 42nd Street.

In 2011, the Des Moines Area Regional Transit Authority (DART) in furtherance of the DART Forward 2035 Transit Services Plan began conducting a Bus Rapid Transit (BRT) study looking at five (5) alternative routes. A selected route for further study, known as Route 60, included the Ingersoll Avenue and University Avenue corridors from downtown to 42nd Street. This would include developed fixed stops along Ingersoll spaced further apart than standard transit service. Development of this program has looked at funding sources from the Federal Transit Administration under the "Very Small Starts" which funds BRT projects under \$50 million in total cost.

Further analysis of needs and opportunities has been provided in the Ingersoll and Grand Avenue Revitalization Strategy. This was an independent effort of the Restoration Ingersoll group in cooperation with the adjoining recognized neighborhood associations, the West Side Chamber of Commerce, Ingersoll Business Association, Downtown Community Alliance, Des Moines Area Regional Transit, and City of Des Moines Community Development Department. On May 21, 2012, by Roll Call 12-0819, City Council received, filed and referred the Ingersoll and Grand Avenue Revitalization Strategy to the City Manager for review and recommendation. Since that time, a review committee of City staff from various departments has reviewed the Strategy and provided comments. On June 8, 2012, staff met with representatives from the Ingersoll and Grand planning team to review the comments and discuss recommended revisions to the Strategy. On July 9, 2012, the Council will be asked to receive, file and refer the revised Ingersoll and Grand Avenue Revitalization strategy to the Plan and Zoning Commission and Neighborhood Revitalization Board for review and recommendation.

The Ingersoll-Grand Urban Renewal/TIF Plan is a potential economic development tool identified within the strategy to serve the same general area. While the TIF revenue will not be used directly for residential benefit, the large amount of medium and high density residential property along Grand

Avenue is included in the area due to the symbiotic relationship it has with the commercial area along the Ingersoll Avenue corridor.

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 public and private projects to assist in achieving the greatest possible benefit to citizens and businesses.

Chapter 1 of Des Moines' 2020 Community Character Plan is titled "Underlying Principals" and includes the following principles in support of the goal to create a livable community for several generations:

- Protect Natural Resources.
- Promote economic growth and efficiency.
- Enhance and preserve Des Moines' urban character.
- Transportation facilities should support and guide the balanced growth concept for the metropolitan area.

Chapter 5 of Des Moines' 2020 Community Character Plan is titled "Existing Character of Commercial Land Use" and includes the following principles:

- Define policies, development standards and design guidelines to ensure pedestrian scale, appeal, and quality environment are balanced with auto safety and convenience.
- Establish marketing strategies for the various commercial categories to attract investors, businesses and customers to the area and to maintain healthy commercial areas.

No changes are proposed to the 2020 Community Character Future Land Use Map or the City Zoning Map at this time. Staff believes that the proposed Ingersoll-Grand Commercial Urban Renewal Plan is in conformance with the Des Moines' 2020 Community Character Plan.

PREVIOUS COUNCIL ACTION(S):

Date: June 11, 2012

Roll Call Number: [12-0888](#)

Action: On proposed Urban Renewal Plan for the Ingersoll-Grand Commercial Urban Renewal Area. (7-9-12). ([Council Communication No. 12-304](#)). Moved by Hensley to adopt. Motion Carried 7-0.

Date: August 29, 2011

Roll Call Number: [11-1529](#)

Action: Recommendation regarding creation of an Urban Renewal Area and Tax Increment district for the Ingersoll Avenue Commercial Area. ([Council Communication No. 11-567](#)). Moved by Hensley to receive and file, and to direct the City Manager to proceed with the implementation of the recommendations set forth in Council Communication No. 11-567. Motion Carried 7-0.

Date: May 9, 2011

Roll Call Number: [11-0821](#)

Action: From Restoration Ingersoll, represented by Ted Irvine, requesting the creation of an Urban Renewal Tax Increment Financing (TIF) District for Ingersoll Avenue as an extension of the Metro Center Urban Renewal District. Moved by Hensley to receive, file and refer to the City Manager for a report and recommendation with a timeline and to designate staff to work with Restoration Ingersoll. Motion Carried 7-0.

BOARD/COMMISSION ACTION(S):

Board: Plan and Zoning Commission

Date: June 21, 2012

Resolution Number: N/A.

Action: Approval of a motion finding the proposed Ingersoll-Grand Commercial Urban Renewal Plan is in conformance with the Des Moines 2020 Community Character Plan by a vote of 9-1.

Board: Urban Design Review Board

Date: June 19, 2012

Resolution Number: N/A.

Action: Motion to approve as submitted by Clark. Seconded by Wattier. Abler abstained. Motion carried 6-0-1.

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:

Future requests to amend the land use map or zoning map within the area pursuant to a revised Urban Renewal Plan will be reviewed by the Plan and Zoning Commission and City Council. In addition, the allocation of any tax increment revenues is ultimately determined by City Council through separate council actions.

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