

 <p style="text-align: center;">Council Communication Office of the City Manager</p>	Date:	June 22, 2015
	Agenda Item No.	19
	Roll Call No.	<u>15-1020</u>
	Communication No.	<u>15-326</u>
	Submitted by:	Matthew A. Anderson, Assistant City Manager

AGENDA HEADING:

Set date of hearing and related actions for the creation of an urban renewal/tax increment finance (TIF) plan for the Eastgate Urban Renewal Area.

SYNOPSIS:

On January 26, 2015, by Roll Call No. 15-0142, City Council approved actions to create an urban renewal plan with a TIF district for the Eastgate Development Area. The draft plan materials have been prepared and are presented here for City Council review.

The Roll Call accompanying this Council Communication requests City Council to now set the date of public hearing for July 27, 2015, on the proposed urban renewal area and TIF plan for the Eastgate area. The boundaries of this proposed 379 acre urban renewal area are generally east of East 8th Street, south of East Madison, north of Hull Avenue and west of Dixon Street. A map of the proposed boundaries is attached to the Roll Call.

Additional related actions to be undertaken, as follows:

1. Publication of the July 27, 2015 public hearing notice by the City Clerk’s office;
2. Referral of the proposed plan to the Plan & Zoning Commission for review and recommendation on the conformance of the proposed plan with the Comprehensive Plan;
3. Referral of the proposed plan to the Urban Design Review Board for review and recommendation; and
4. Required consultation meeting to be held with area taxing entities.

FISCAL IMPACT

The TIF for this area will be prioritized for use on land development activities and public infrastructure projects that will facilitate private sector investment in commercial, industrial and residential development, and allow new taxable valuation to be created for the City of Des Moines. It is planned that any development agreements for this area will be organized around the goal of having the private sector upfront infrastructure costs, with potential for a portion of such costs to be reimbursed from the resulting incremental taxes provided by the valuation added by the development. There will be an ability to evaluate each proposed project, and its positive impact to the citizens of Des Moines in the form of business development, services, housing and employment. All individual development agreements must be reviewed and approved by the City Council.

Based on 2014 assessments, the base value of the proposed TIF district will be approximately \$66,583,000. To have a general estimate of anticipated revenues, an increase in taxable valuation of 1.5% per year will be used.

ADDITIONAL INFORMATION:

The Office of Economic Development has worked with other City departments over the last several months to evaluate the Eastgate Area as a proposed urban renewal area/TIF District. This evaluation of the Eastgate Urban Renewal Area and proposed plan will continue through the required review processes for the development of an urban renewal plan, and conclude with presenting the final draft to City Council at the public hearing proposed for July 27. These processes include review by City boards and commissions, and area taxing entities including Polk County, the Des Moines Public School District, and Des Moines Area Community College. In addition to these entities, neighborhood organizations will have an opportunity to review the proposed plan area and provide input.

The proposed area includes approximately 379 acres in NE Des Moines, with an estimated current total assessed valuation of \$66,583,000. The analysis of the proposed area began with the former Eastgate Plaza Shopping Center at NE 14th Street and East Euclid Avenue, which has been a priority redevelopment site for the City for a number of years. In particular, residents and business owners of NE Des Moines have looked forward to the additional retail and commercial service options that have been contemplated for the site since the late 1990's. The former Eastgate Plaza Shopping Center has seen improvements and new taxable valuation added, but the emergence of regional retail hubs in Ankeny and Altoona has influenced Eastgate's ability to capture as strong of a share of retail services as was originally hoped.

Through the analysis, staff recognized the importance of proposing that the area be enlarged to acknowledge challenging conditions that are impeding economic development investment in a larger area around the Eastgate Plaza. Some of these conditions include vacant buildings and sites, commercial/industrial buildings that may no longer be competitive spaces for current market needs, and the need for providing better pedestrian connectivity between current and future commercial services at or near the former Eastgate Plaza Shopping Center, and the current neighborhood residents to the south, including the growing population at Grand View University.

Additional tools must be considered to assist the full Eastgate area to realize its opportunities for economic viability and further private investment. The creation of an urban renewal and TIF plan is recommended to assist in facilitating economic development, addressing the need for revitalization and the elimination of blight, and creating a future resource to assist with public improvement projects in this area.

Public improvements would typically include sanitary sewer, street and stormwater infrastructure, streetscape improvements, 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 and residential use, generating new taxable valuation and jobs for the community.

Current zoning and proposed land use maps are attached to the Roll Call. The proposed uses of land for the area include highway commercial, industrial, and medium density residential.

PREVIOUS COUNCIL ACTION(S):

Date: January 27, 2015

Roll Call Number: [15-0142](#)

Action: [Regarding](#) the creation of an Urban Renewal Area utilizing Tax Increment Financing (TIF) for the Eastgate development area at NE 14th Street and E. Euclid Avenue. ([Council Communication No. 15-027](#)) Moved by Moore to receive and file, and to authorize and direct the City Manager to prepare an urban renewal plan and related information and documents to create an urban renewal area as generally described in Council Communication No. 15-027. Motion Carried 7-0.

Date: November 4, 2013

Roll Call Number: [13-1727](#)

Action: [First](#) Amendment to Economic Development Loan Agreement with Eastgate Plaza LLC. ([Council Communication No. 13-546](#)) Moved by Coleman to adopt. Motion Carried 6-0.

Date: May 8, 2006

Roll Call Number: [06-0945](#)

Action: [Economic](#) Development Loan Agreement with Eastgate Plaza, LLC for redevelopment of the Shops at Eastgate (northeast corner of E. 14th Street and Euclid Avenue). ([Council Communication No. 06-265](#)) Moved by Mahaffey to adopt. Motion carried 6-1. Pass: Kiernan.

Date: April 24, 2006

Roll Call Number: [06-0848](#)

Action: [Second](#) amendment to agreement with Eastgate Plaza, LLC for redevelopment of the Shops at Eastgate (northeast corner of E 14th Street and Euclid Avenue). ([Council Communication No. 06-213](#)) Moved by Mahaffey to adopt. Motion Carried 6-1. Pass: Vlassis.

Date: February 1, 1999

Roll Call Number: 99-340

Action: First Amendment with Eastgate Plaza, LLC to allow Redeveloper an extension of time to complete the project (East 14th and Euclid). ([Council Communication No. 99-041](#)) Moved by McPherson to adopt. Motion Carried 7-0.

Date: June 22, 1998

Roll Call Number: 98-2078

Action: Agreement between the City and Eastgate Plaza LLC, for redevelopment of Eastgate Shopping Center (NE corner of East 14th and Euclid). ([Council Communication No. 98-270](#)). Moved by McPherson to adopt. Motion Carried 5-1-1. Nays: Coleman. Pass: Vlassis.

BOARD/COMMISSION ACTION(S): NONE

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:

The Plan and Zoning Commission and Urban Design Review Board will review the proposed Urban Renewal Plan and TIF District at their respective meetings in July. The taxing entities consultation will be coordinated by the Office of Economic Development in July. Neighborhood organizations will be offered opportunities to meet and review the proposed plan and provide input.

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 first 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.