

 <p style="text-align: center;">Council Communication Office of the City Manager</p>	Date: July 27, 2015
	Agenda Item No. 47 Roll Call No. <u>15-1281</u> Communication No. <u>15-407</u> Submitted by: Matthew A. Anderson, Assistant City Manager

AGENDA HEADING:

Continue public hearing for the creation of an urban renewal/tax increment finance (TIF) plan for the Eastgate Urban Renewal Area.

SYNOPSIS:

Recommend continuing the public hearing to August 24, 2015, on the creation of an urban renewal area and TIF plan for the Eastgate area. The boundaries of this proposed urban renewal area are generally Aurora Avenue, East 8th Street, Hull Avenue and Dixon Street. NE 14th Street and East Euclid Avenue are corridors through the area.

FISCAL IMPACT:

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

Based on 2015 assessments, the base value of the proposed TIF district will be approximately \$67M. To have a general estimate of anticipated revenues, an increase in taxable valuation of 1.5% per year will be used.

ADDITIONAL INFORMATION:

The Eastgate area has been a priority redevelopment site for the City and the NE Des Moines neighborhoods 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 Eastgate area 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.

Additional tools must be considered to assist the Eastgate area to fully 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 and creating a future resource to assist with public improvement projects in this area.

PREVIOUS COUNCIL ACTION(S):

Date: June 22, 2015

Roll Call Number: [15-1020](#)

Action: [On](#) adoption of an Urban Renewal/Tax Increment Finance (TIF) Plan for the Eastgate Urban Renewal Area, (7-27-15). ([Council Communication No. 15-326](#)) Moved by Gatto to adopt. Motion Carried 7-0.

Date: January 26, 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.

BOARD/COMMISSION ACTION(S):

Board: Urban Design Review Board

Date: July 21, 2015

Resolution Number: N/A

Action: Motion by Naura Heiman-Godar to approve. Seconded by Seth Gray Yes 7; No 0; Absent.

Board: Plan & Zoning Commission

Date: July 16, 2015

Resolution Number: N/A

Action: Approved 10-0.

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:

Meet with applicable neighborhood associations and hold City Council public hearing.

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