

 <p style="text-align: center;">Council Communication Office of the City Manager</p>	Date:	March 20, 2017
	Agenda Item No.	59
	Roll Call No.	<u>17-0524-0534</u>
	Communication No.	<u>17-311</u>
	Submitted by:	Erin Olson-Douglas, Economic Development Director

AGENDA HEADING:

Public hearing on the Northeast Gateway Revitalization Plan, Northeast Gateway 1 Urban Renewal Plan and the Northeast Gateway 2 Urban Renewal Plan.

SYNOPSIS:

These roll calls open and close the public hearings on the proposed Northeast Gateway Revitalization Plan, Northeast Gateway 1 Urban Renewal Plan and the Northeast Gateway 2 Urban Renewal Plan.

Two (2) separate Urban Renewal Plans and Tax Increment Financing (TIF) Districts are being recommended as a best practice for the appropriate division of tax revenues within the plan area due to the presence of two (2) different school districts.

The proposed Northeast Gateway Revitalization Plan boundary is the same boundary as originally adopted by the Northeast Gateway Revitalization Urban Renewal Plan, but is proposed to be replaced by two (2) separate Urban Renewal Plans and Tax Increment Financing districts split by E. Aurora Avenue. The Northeast Gateway 1 Urban Renewal area will consist of everything within the original plan boundary that is located to the north of E. Aurora Avenue within the Saydel School District. The Northeast Gateway 2 Urban Renewal area will consist of everything within the original plan boundary that is located to the south of E. Aurora Avenue within the Des Moines School District.

FISCAL IMPACT:

Amount: There is no direct fiscal impact associated with the approval of the Revitalization Plan or the Urban Renewal Plans. The activities and projects that may be assisted by the urban renewal plans and tax increment revenues will be subject to separate Council action.

Funding Source: N/A

ADDITIONAL INFORMATION:

- The Northeast Gateway Revitalization Area has been a priority redevelopment site for the City and the NE Des Moines neighborhoods for a number of years.

- City staff, along with our zoning consultants, have continued planning efforts for the redevelopment of the former Eastgate site. The City is also seeing development interest at the former Northridge Mall site. Both sites are identified as community nodes in the City's Comprehensive Plan.
- The tax increment for these areas 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. 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.

PREVIOUS COUNCIL ACTION(S):

Date: February 6, 2017

Roll Call Number: [17-0191](#) and [17-0192](#)

Action: On the adoption of an Urban Renewal Plan for the following: ([Council Communication No. 17-069](#))

(A) [Northeast](#) Gateway 1 Urban Renewal Area, (3-20-17). Moved by Hensley to adopt.
Motion Carried 7-0.

(B) [Northeast](#) Gateway 2 Urban Renewal Area, (3-20-17). Moved by Hensley to adopt.
Motion Carried 7-0.

BOARD/COMMISSION ACTION(S):

Board: Urban Design Review Board

Date: February 14, 2017

Resolution Number: N/A

Action: Motion to approve as presented by Rypma. Seconded by Hielkema. Motion carried. Yes – 6, No – 0, Absent – 4, Abstain – 0.

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE

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