

Date August 24, 2009

**RESOLUTION AUTHORIZING APPLICATION FOR  
ENTERPRISE ZONE CERTIFICATION FOR THE  
PROPOSED NE HUBBELL /BROADWAY ENTERPRISE ZONE**

WHEREAS, the Iowa Code Sections 15E.191 thru 15E.197 provide that certain eligible cities and counties may designate areas as enterprise zones and apply to the State of Iowa for enterprise zone certification to facilitate economic reinvestment in economically distressed areas; and,

WHEREAS, businesses, excluding retail or those whose entrance is limited by a cover charge or membership requirement, that invest in housing or create employment opportunities within a certified enterprise zone may be eligible to receive certain State tax incentives, which include corporate income tax credits, job training, investment, and research and development tax credits and a refund of sales, service and use taxes paid on materials used in construction contracts; and,

WHEREAS, the proposed NE Hubbell/Broadway Enterprise Zone contains approximately 1365 acres, is located south of I-80, east of NE 38<sup>th</sup> Street, west of Highway 65, and north of Aurora Avenue and is proposed to be created for the purpose of encouraging reinvestment and redevelopment of such land; and,

WHEREAS, the City has determined that the proposed NE Hubbell/Broadway Enterprise Zone meets the eligibility criteria for certification under I.C. Section 15E.194(2)(b) because the area has a family poverty rate of more than 12% and under I.C. Section 15E.194(2)(e) because the area is a blighted area as defined in I.C. Section 403.19; and,

WHEREAS, it is in the best interests of the citizens of the City of Des Moines to pursue enterprise zone certification of the proposed NE Hubbell /Broadway Enterprise Zone by the Iowa Department of Economic Development ("IDED").

NOW THEREFORE, BE IT RESOLVED, by the City Council of the City of Des Moines, Iowa, as follows:

1. The proposed NE Hubbell/Broadway Avenue Enterprise Zone is hereby designated as an Enterprise Zone pursuant to the I.C. Section 15E.192 (2), subject to certification by IDED.
2. The Mayor is hereby authorized to execute the accompanying application and any additional documents that may be required to certify the NE Hubbell/Broadway Enterprise Zone, and the City Manager or his designee is hereby authorized to submit the application and to provide the necessary follow-up assistance to pursue certification of the NE Hubbell /Broadway Enterprise Zone.

(Continued on Page 2)


Date August 24, 2009

3. Subject to certification of the NE Hubbell /Broadway Enterprise Zone by IDED,
  - a. The City Clerk shall file this resolution and notice of the certification of the NE Hubbell /Broadway Enterprise Zone with the Polk County Assessor and the Polk County Auditor.
  - b. Eligible businesses locating or expanding in the NE Hubbell /Broadway Enterprise Zone shall be eligible for the benefits allowed within designated enterprise zones.

(Council Communication No. 09- 608 Attached)

Moved by \_\_\_\_\_ to adopt.

APPROVED AS TO FORM:

  
 Michael F. Kelley  
 Assistant City Attorney

COUNCIL ACTION	YEAS	NAYS	PASS	ABSENT
COWNIE				
COLEMAN				
HENSLEY				
KIERNAN				
MAHAFFEY				
MEYER				
VCLASSIS				
TOTAL				

MOTION CARRIED

APPROVED

.....  
 Mayor

**CERTIFICATE**

I, DIANE RAUH, City Clerk of said City hereby certify that at a meeting of the City Council of said City of Des Moines, held on the above date, among other proceedings the above was adopted.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my seal the day and year first above written.

\_\_\_\_\_  
 City Clerk

## NE HUBBELL/BROADWAY ENTERPRISE ZONE

Des Moines, Iowa

By James D. Wittkop August 17, 2009

Revised August 17, 2009, by JDW

Revised August 18, 2009, by JDW

Revised August 19, 2009, JDW

Beginning at a point on the East and West centerline of Section 20, Township 79 North, Range 23 West of the 5<sup>th</sup> P.M. and on the West right-of-way line of East 38<sup>th</sup> Street; thence North along the West right-of-way line of East 38<sup>th</sup> Street 350.0 feet thence West 45.0 feet to a point being 45.0 feet West of the West right-of-way line of East 38<sup>th</sup> Street; thence North along a line being 45.0 feet West of and parallel with the West right-of-way line of East 38<sup>th</sup> Street, 130.0 feet; thence East 45.0 feet to the West right of way line of East 38<sup>th</sup> Street; thence North along the West right-of-way line of East 38<sup>th</sup> Street 1043.32 feet; thence West 30.0 feet, thence North 30.0 feet West of and parallel with the West right-of-way line of East 38<sup>th</sup> Street 120.03 feet; thence East 30.0 feet to the West right-of-way line of East 38<sup>th</sup> Street; thence North along the West right-of-way line of East 38<sup>th</sup> Street to the South right-of-way Line of Interstate 80; thence northeasterly along the South right-of-way line of Interstate 80 to the westerly right-of-way line of Relocated Iowa Highway 65; thence South along the westerly right-of-way line of Relocated Iowa Highway 65 to the East and West centerline of Section 22, Township 79 North, Range 23 West of the 5<sup>th</sup> P.M.; thence West along the East and West Centerline of said Section 22 and West along the East and West centerline of Section 21, Township 79 North, Range 23 West of the 5<sup>th</sup> P.M., to the point of beginning. All now included in and forming a part of the City of Des Moines, Polk County, Iowa. Containing approximately 1365 Acres.

August 24, 2009

To: Honorable Mayor and City Council of the City of Des Moines

From: Larry Hulse, Community Development Director

RE: Report on Proposed NE Hubbell/Broadway Enterprise Zone

The City of Des Moines is proposing to create the NE Hubbell /Broadway Enterprise Zone to incorporate approximately 1365 acres of property located in the vicinity of Highway 65, Interstate 80, Hubbell Avenue and Aurora Avenue and NE 38<sup>th</sup> Street.

The proposed NE Hubbell /Broadway Enterprise Zone is being presented for eligibility for certification because the area has a rate of families below poverty level that is more than 12% percent according to the 2000 U.S. Census, and the proposed Zone is a blighted area.

This report reviews the conditions that qualify as blight as required by Chapter 59 of the Code of Iowa for designation of the property as a State of Iowa Enterprise Zone.

For the reasons detailed below, the proposed NE Hubbell /Broadway Enterprise Zone is a blighted area. Blighted area is more specifically defined in Chapter 403.17 of the Code of Iowa as:

...an area of a municipality within which the local governing body of the municipality determines that the presence of a substantial number of slum, deteriorated, or deteriorating structures; defective or inadequate street layout; faulty lot layout in relation to size, adequacy, accessibility, or usefulness; unsanitary or unsafe conditions; deterioration of site or other improvements; diversity of ownership, tax or special assessment delinquency exceeding the fair value of the land; defective or unusual conditions of title; or the existence of conditions which endanger life or property by fire and other causes; or any combination of these factors; substantially impairs or arrests the sound growth of a municipality, retards the provision of housing accommodations, or constitutes an economic or social liability and is a menace to the public health, safety, or welfare in its present condition and use.

#### CONDITIONS OF BLIGHT

The designated area includes deteriorated empty buildings, several structures that are more than fifty years old and in below normal condition, and a number of nonconforming uses that have created a pattern of underutilization of land. These sites exist along the frontage of a

primary highway, and are interspersed with vacant lots. The dilapidated appearance of these sites in this very visible area has a negative impact on the economic health of the corridor and the adjacent neighborhoods. Rather than promote development, these underutilized and distressed conditions have limited economic redevelopment opportunities, creating a challenged environment that prohibits productive reuse of the properties.

In addition to these conditions, the valuation of several industrial properties in the designated area is less than 75% of the citywide average for the classification Lower valuations of industrial properties in this area, which can be related to age and building condition, is of significant concern. This reduces the potential property tax revenues to the taxing entities, and contributes to an environment that discourages reinvestment.

The City of Des Moines has made investment in the extension of public infrastructure to this area, and will continue to promote economic development efforts. However, the above conditions warrant additional assistance to encourage revitalization.

#### Summary

Designation of the NE Hubbell/Broadway Enterprise Zone presents an opportunity to provide a needed incentive for the development of quality business and residential land uses and improve the appearance of the area to the adjacent neighborhood. The enterprise zone designation will allow the City to conduct activities that will enhance the full neighborhood and bring new taxable valuation and jobs to the community.

I recommend the subject property be designated as a State of Iowa enterprise zone known as the NE Hubbell/Broadway Enterprise Zone that is appropriate for the development of business and residential enterprises.

Respectfully submitted,

Larry Hulse, AICP  
Community Development Director

#### *Attachment:*

Map of NE Hubbell /Broadway Enterprise Zone  
Legal Description of NE Hubbell/Broadway Enterprise Zone

IOWA DEPARTMENT OF ECONOMIC DEVELOPMENT

**APPLICATION for  
ENTERPRISE ZONE CERTIFICATION**

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**City Enterprise Zone**

Iowa Department of Economic Development  
Division of Business Development  
200 East Grand Avenue  
Des Moines, Iowa 50309

JULY 2007

**INTENT:** The Enterprise Zone Program was established by the Iowa Legislature with the intent of promoting new economic development in economically distressed areas of Iowa by encouraging communities to target resources in ways that attract productive private investment.

### **GENERAL INSTRUCTIONS**

1. If more than 12 months has elapsed since the date on the front of this application, please contact IDED to see if this version of the application is still current.
2. Before filling out this application form, please read Iowa Code Sections 15E.191 through 15E.196, as amended by 2002 Iowa Acts, H.F. 2378 and the Enterprise Zone administrative rules.
3. Only typed or computer-generated applications will be accepted and reviewed. *(Contact the IDED to have an electronic copy of this application e-mailed to you.)* Any material change to the format, questions or wording of questions presented in this application, will render the application invalid and will not be accepted.
4. Complete the application fully; if any questions are left unanswered or required attachments are not submitted, an explanation must be included.
5. Use clear and concise language. Attachments should only be used when requested or as supporting documentation.
6. Any inaccurate information of a significant nature may disqualify the application from consideration.
7. Send the original copy of the completed application and all required attachments to:

Jeremy Babcock  
Project Manager  
Iowa Department of Economic Development  
200 East Grand Avenue  
Des Moines, Iowa 50309  
Phone: (515) 242-4940  
Fax: (515) 242-4776  
E-mail: [jeremy.babcock@iowalifechanging.com](mailto:jeremy.babcock@iowalifechanging.com)

Completed applications will be reviewed and acted upon by the Iowa Department of Economic Development's Board of Directors during their monthly board meetings. The IDED Board meets on the 3<sup>rd</sup> Wednesday and the subsequent Thursday of every month. Applications received by IDED on or before the 1<sup>st</sup> of the month will be included on the agenda for that month's board meeting.

### **PUBLIC RECORDS POLICIES**

The Iowa Department of Economic Development (IDED) is subject to the Open Records law (2001 Iowa Code, Chapter 22). Treatment of information submitted to IDED in an application is governed by the provisions of the Open Records law. All public records are available for public inspection. Copies of Iowa's Open Records law and IDED's administrative rules relating to public records are available from the Department upon request.

**APPLICANT INFORMATION**

City: Des Moines, Iowa

Official Representative: T. M. Franklin Cownie, Mayor

Address: 400 Robert D. Ray Drive

City, State & Zip Code: Des Moines, Iowa 50309

Telephone: 515-283-4944

Fax: 515-237-1645

E-mail Address: [fcownie@dmgov.org](mailto:fcownie@dmgov.org)

***This application was prepared by:***

Name & Title: Rita Conner, Economic Development Coordinator

Organization: City of Des Moines

Address: 400 Robert D. Ray Drive

City, State & Zip Code: Des Moines, Iowa 50309

Telephone: 515-283-4019

Fax: 515-237-1667

E-mail Address: [raconner@dmgov.org](mailto:raconner@dmgov.org)

**CERTIFICATIONS**

I, the undersigned, on behalf of the City identified herein, hereby submit the following application under Iowa Code Sections 15E.191 through 15E.196, as amended by 2002 Iowa Acts, H.F. 2378. I certify that the City has complied with all applicable laws of the State of Iowa with respect to Enterprise Zone certification. Furthermore, all action on the City's part, such as a resolution from the City Council authorizing the execution and delivery of this *Application for Enterprise Zone Certification* and naming the undersigned officer of this City authorized to execute this application, has effectively been taken. I certify that all information, representations, or statements provided to the Iowa Department of Economic Development (IDED) in connection with this application are true and correct in all material aspects. I understand that by submitting and signing this application, I am certifying on behalf of the City that the designated area is under the jurisdiction of my City.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
T.M. Franklin Cownie, Mayor

\_\_\_\_\_  
Date



**APPLICATION INFORMATION**

*If more than one Enterprise Zone is being designated, please prepare a separate application for each proposed Enterprise Zone.*

1. Please indicate which two eligibility criteria the **designated area\*** has met in order to be eligible to apply for Enterprise Zone Certification.
  - A) The area has a per capita income of \$12,648 or less based on the 2000 Census.
  - B) The area has a family poverty rate of 12% or higher based on the 2000 Census.
  - C) Ten percent or more of the housing units are vacant in the area.
  - D) The valuations of each class of property in the designated area is 75% or less of the citywide average for that classification based upon the most recent valuations for property tax purposes.
  - E) The area is a blighted area, as defined in Iowa Code section 403.17.

*\* Within a city which includes at least three census tracts with at least 50 percent of the population in each tract located in the city, as shown by the 2000 certified federal census.*

The application is presented citing criteria b and e.

Please attach supporting documentation that shows how the designated area meets these eligibility criteria.

Eligibility Criterion "B"

The proposed area meets this criterion due to a family poverty rate of 12% or higher based on the 2000 Census.

Eligibility Criterion "E"

The proposed area is a blighted area.

2. What is the total area (in acres) of the County in which the City is located?  
378,566.4 acres (591.51 square miles)
3. How many acres within the County have previously been certified as Enterprise Zones?  
6135.50 acres
4. Please indicate the size (in acres) of the Enterprise Zone for which you are requesting certification.  
1365 acres.
5. Does the proposed Enterprise Zone include any area that qualifies as an Empowerment Zone or Enterprise Community, pursuant to Title XIII of the federal Omnibus Budget Reconciliation Act of 1993? If so, please indicate the size (in acres) of the area that qualifies as an Empowerment Zone or Enterprise Community. N/A
6. Attach a legal description for the proposed Enterprise Zone.  
Attached is a legal description for the proposed Enterprise Zone.

7. Attach a detailed map (no larger than 8" x 14") which shows the boundaries of the proposed Enterprise Zone.  
Attached is a map showing the boundaries of the proposed Enterprise Zone.

8. Please describe the current land use of the proposed Enterprise Zone and include the names of any existing businesses currently located in the proposed Enterprise Zone.

The land is currently zoned for a combination of uses, including light industrial, commercial and residential. Existing businesses include Scott's TV, Baker Group Electric & Plumbing, G& S Pumping, Greenfield Auction Service & Fleamarket, ministorage units, and three unnamed auto service businesses.

9. Please describe how the proposed Enterprise Zone will be used.

The Enterprise Zone will be utilized to revitalize an area characterized by undeveloped land, nonconforming land uses and aging structures in below normal condition. It will assist with industrial business development and housing, maximizing the investment made in public infrastructure by the City of Des Moines.

10. If applicable, please describe the local property tax exemption authorized by the City Council for the proposed Enterprise Zone. **(Please note that a local property tax exemption is not required.)** If other property tax exemptions or incentives will be used in lieu of an Enterprise Zone property tax exemption, such as Urban Revitalization Areas, Tax Increment Financing (TIF) districts, or Industrial Property Exemption authorized under Iowa Code Section 427B, please indicate this.

The City Council previously authorized commercial and residential tax abatement, which the proposed NE Hubbell/Broadway Enterprise Zone would be eligible for.

11. Attach the original copy of the City Council resolution requesting Enterprise Zone certification and designating, if applicable, the property tax exemption for the zone.

An original copy of the City Council Resolution is attached. Otherwise, N/A

### **ATTACHMENTS**

Please make sure the following items are included with this application:

- Supporting documentation that shows how the designated area meets the eligibility criteria.
- Legal description for the proposed Enterprise Zone.
- Detailed map (no larger than 8" x 14") which shows the boundaries of the proposed Enterprise Zone.
- Original copy of the City Council resolution requesting Enterprise Zone certification and designating, if applicable, the property tax exemption for the zone.