



Roll Call Number

Agenda Item Number

24 A

Date November 10, 2008

WHEREAS, the City Plan and Zoning Commission has advised in the attached letter that at a public hearing held November 6, 2008, the members considered the petition to continue the Downtown Des Moines Self-Supported Municipal Improvement District (SSMID) and voted 11-0 in support of a motion to recommend approval of the petition, to adopt the accompanying evaluative report, and to make the following findings:

- a. The Petition to continue the Des Moines Self-Supported Municipal Improvement District is signed by more than 25% of the owners of taxable properties within the District who collectively own property having more than 59% of the assessed value of taxable properties within the District.
- b. The Petition is a valid petition which satisfies the requirements of Iowa Code Chapter 386.
- c. The District meets all the criteria set forth in Iowa Code Section 386.3(1). The property in the District is similarly related so that the present and potential use or enjoyment of the property is benefited by the condition, performance of administration, redevelopment, revitalization and maintenance of the District, and further, the owners of property in the District have a present and potential benefit from the condition, performance of administration, redevelopment, revitalization and maintenance of the District.
- d. Continuation of the District is feasible; and would generally benefit the City as a whole.
- e. The continuation of the District and the services and activities to be undertaken by such District further the objectives of the Metro Center Urban Renewal Project and would assist in the creation of new jobs and income in the City and the retention of existing jobs and income in the City that would otherwise be lost.

APPROVED AS TO FORM: Moved by _____ to receive and file.

(Council Communication No. 08-689)

Michael Kelley, Assistant City Attorney

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

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.

MOTION CARRIED APPROVED

Mayor

City Clerk

Date _____

Agenda Item 24

Roll Call # _____

November 7, 2008

Honorable Mayor and City Council
City of Des Moines, Iowa

Members:

Communication from the City Plan and Zoning Commission advising that at their meeting held November 6, 2008, the following action was taken:

COMMISSION RECOMMENDATION:

After public hearing, the members voted 11-0 as follows:

Commission Action:	Yes	Nays	Pass	Absent
Leisha Barcus	X			
JoAnne Corigliano	X			
Shirley Daniels	X			
Jacqueline Easley	X			
Dann Flaherty	X			
Bruce Heilman				X
Ted Irvine	X			
Jeffrey Johannsen	X			
Greg Jones	X			
Frances Koontz				X
Jim Martin	X			
Brian Millard	X			
Mike Simonson				X
Kent Sovern	X			

APPROVAL of the evaluative report for the petition to continue the Downtown Des Moines Self-Supported Municipal Improvement District (SSMID) for an additional five years beginning July 2009.

STAFF RECOMMENDATION TO THE P&Z COMMISSION

Staff recommends that the Commission approve the evaluative report for the petition to continue the Downtown Des Moines Self-Supported Municipal Improvement District (SSMID) an additional five years beginning July 2009.

STAFF REPORT

I. GENERAL INFORMATION

The Downtown Community Alliance has submitted a petition to the City Council on behalf of downtown property owners, to continue the Downtown Des Moines Self-Supported Municipal Improvement District (SSMID) for an additional five years beginning July 2009. The Downtown SSMID has been in effect since July 1998. The current SSMID expires on June 30, 2009.



CITY PLAN AND ZONING COMMISSION
ARMORY BUILDING
602 ROBERT D. RAY DRIVE
DES MOINES, IOWA 50309 -1881
(515) 283-4182

ALL-AMERICA CITY
1949, 1976, 1981
2003

The petition proposes a maximum rate of \$2.00 per thousand dollars of taxable valuation for the annual SSMID operation tax levy.

The SSMID petition allows for:

- a) Enhanced maintenance and cleaning of public spaces;
- b) Services to enhance the safety of persons and property, including a "Goodwill Ambassador" security program;
- c) Development and management of activities for marketing, business retention and attraction;
- d) Capital, physical or other improvements designed to enhance the image and appearance of the district; and
- e) Improvement of skywalk system, including actions related to maintenance, cleaning and security.

The SSMID would continue to be directed by the entity known as the Downtown Des Moines SSMID District, sometimes referred to as "Operation Downtown," comprised of representatives of property owners, tenants, City, County, and the Downtown Community Alliance which annually recommends to the City Council how the SSMID funds collected should be spent. Previously, the City entered into an operating agreement with Operation Downtown to manage and undertake the services, improvements or activities described in the SSMID.

An evaluative report for the petition to continue the Downtown Des Moines Self-Supported Municipal Improvement District (SSMID) is attached for the Commission's review and recommendation.

II. ADDITIONAL APPLICABLE INFORMATION

Pursuant to Section 386.3 of the Iowa Code, the Plan and Zoning Commission is to prepare an evaluative report for the City Council based on the "merit" and "feasibility" of the SSMID project and the Commission is to make recommendations to the City Council with respect to the SSMID. Further, the Commission is to determine the validity of the petition.

Pursuant to Section 386.3 of the Iowa Code, the petition shall meet the following requirements:

- a. It must be comprised of contiguous property wholly within the boundaries of the City.
- b. It shall be comprised only of property in districts which are zoned for commercial or industrial uses and properties within a duly designated historic district.
- c. It shall be given a descriptive name containing the words "self-supported municipal improvement district".
- d. It shall be comprised of property related in some manner, including but not limited to present or potential use, physical location, condition, relationship to area, or relationship to present or potential commercial or other activity in the area, so as to be benefited in any manner, including but not limited to the benefit from present or potential use or enjoyment of the property, by the condition, development or maintenance of the district or of any improvement or self-liquidating improvement of the district, or be comprised of property the owners of which have a present or potential benefit from the condition, development or maintenance of the district or of any improvement or self-liquidating improvement of the district.
- e. It shall contain the signatures of at least twenty-five percent of all owners of property within the proposed district.

- f. The signatures must together represent ownership of property with an assessed value of twenty-five percent or more of the assessed value of all of the property in the proposed district.
- g. It shall contain a description of the boundaries of the proposed district.
- h. It shall contain a statement of the maximum rate of tax that may be imposed upon property within the district.
- i. It shall identify the purpose of the establishment of the district.
- j. It shall contain a statement that taxes levied for the self-supported improvement district operation fund shall be used for the purpose of paying maintenance expenses of improvements or self-liquidating improvements for a specified length of time, along with any options to renew, if the taxes are to be used for this maintenance purpose.

SUMMARY OF DISCUSSION

CHAIRPERSON OPENED THE PUBLIC HEARING

There was no one in the audience to speak on this item.

CHAIRPERSON CLOSED THE PUBLIC HEARING

Jacqueline Easley moved staff recommendation to approve the evaluative report for the petition to continue the Downtown Des Moines Self-Supported Municipal Improvement District (SSMID) an additional five years beginning July 2009.

Motion passed 11-0.

Respectfully submitted,


 Michael Ludwig, AICP
 Planning Administrator

MGL:clw

Attachment

Evaluation for Continuation of the "Downtown Des Moines Self-Supported Municipal Improvement District" and Recommendation to City Council

Downtown property owners have submitted a petition to City Council to continue the Downtown Des Moines Self-Supported Municipal Improvement District (SSMID), for a period of 5 years, commencing with the levy of taxes for collection in the fiscal year beginning July 1, 2009 to fund additional maintenance and operating services in the downtown. Specifically, the petition sets forth the following purposes:

- a) Enhanced maintenance and cleaning of public spaces;
- b) Services to enhance the safety of persons and property, including a "Goodwill Ambassador" security program;
- c) Development and management of activities for marketing, business retention and attraction;
- d) Capital, physical or other improvements designed to enhance the image and appearance of the district; and
- e) Improvement of skywalk system, including actions related to maintenance, cleaning and security.

The petition further states that the entity known as the Downtown Des Moines SSMID District, sometimes referred to as "Operation Downtown", shall be continued that is comprised of voting representatives of property owners, tenants and representatives of the City, County, and the Downtown Community Alliance, Inc. Operation Downtown will annually submit a budget and recommend to the City Council how the SSMID funds collected should be spent. It is the intent of the petition that the City of Des Moines will enter into a new or extended operating agreement with Operation Downtown to continue to manage and undertake the services, improvements or activities described in the petition and annual SSMID budget.

Plan and Zoning Role

The City Council has referred the petition to the Plan and Zoning Commission in accordance with Section 386.3 of the Iowa Code. The Plan and Zoning Commission is to prepare an evaluative report for the City Council based on the "merit" and "feasibility" on continuation of the SSMID project and the Commission is to make recommendations to the City Council with respect to the continuation of the SSMID. Further, the Commission is to determine the validity of the petition. After the Plan and Zoning Commission has evaluated the petition and the continuation of the SSMID project, the City Council will set a time and place for the public meeting at which the City Council will take action for continuation of the District.

Validity of the Petition

The petition submitted to the City Council and referred to the Plan and Zoning Commission has been evaluated for the following:

1. The SSMID District meets all the criteria set forth in Section 386.3(1) of the Iowa Code including:
 - a. The SSMID is comprised of contiguous property wholly within the boundaries of the City. The area is zoned for commercial uses.
 - b. The SSMID has been given a descriptive name: "Downtown Des Moines Self-Supported Municipal Improvement District."
 - c. The property in the District comprises the downtown core area of the City and the majority of such property is zoned "C-3" Central Business Commercial District, "C-3A" Central Business Support Commercial District, "C-3B Central Business Mixed-Use District", "C-3R" Central Business Mixed Residential District, "C-2" General Retail and Highway-Oriented Commercial District, "D-R" Downtown Riverfront District, "M-1" Light Industrial District, "M-2" Heavy Industrial District and the "PUD" Planned Unit Development District. The current use and intended future use of the property in the District includes high intensity and large bulk development of office buildings, support commercial and warehouse space, a variety of retail stores and related activities. The property in the District is within the Metro Center Urban Renewal Project Area and such property is subject to the goals and objectives of such urban renewal project. Accordingly, the property in the District is similarly related so that the present and potential use or enjoyment of the property is benefited by the condition, performance of administration, redevelopment, revitalization and maintenance of the District. Further, the owners of property in the District have a present and potential benefit from the condition, performance of administration, redevelopment, revitalization and maintenance of the District.
2. The intent and purposes of the SSMID are stated clearly in the petition. The petition contains signatures from over 25% of the owners of taxable properties within the District. The petition has been signed by 25.8% (275 of 1066) of the owners of taxable "non-residential" properties within the district. The signatures also represent ownership of property with an assessed value of over 25% of the assessed value of all taxable property in the District. The signatures represent property ownership with an assessed value of 59.53% (\$817,742,950 out of \$1,373,713,190) of the total assessed value for taxable "non-residential" property in the District.
3. The petition sufficiently describes the boundaries of the District. It includes a map and appropriate description for the boundaries of the District. City staff shall prepare a more detailed legal description of the District boundaries set forth in the petition which will conform to the description detail of the current District boundaries.

4. A maximum rate of \$2.00 per thousand dollars of taxable valuation for the annual SSMID operation tax levy is clearly stated in the petition. Such operation taxes shall be placed in an operation fund established by the City for the purposes of paying the administrative expenses of the SSMID or of paying maintenance expenses of public improvements or self-liquidating improvements.
5. The petition adequately describes the purposes of the SSMID for paying the administrative expenses of the SSMID or of paying maintenance expenses of public improvements or self-liquidating improvements. The petition sets forth specific purposes for the use of operation tax funds that include:
 - Enhanced maintenance and cleaning of public spaces within the district;
 - Services to enhance the safety of persons and property within the district, including a "Goodwill Ambassador" program;
 - Development and management of activities in support of marketing, business retention and attraction within the District;
 - Capital, physical or other improvements designed to enhance the image and appearance of the District; and
 - Improvement of skywalk system, including actions related to maintenance, cleaning and security.
6. The petition states a specific time period for the levy of the SSMID operation tax. The operation tax will be in effect for five fiscal years beginning in July of 2009 and continuing through June of 2014.
7. The continuation of the SSMID District and funding of operation and maintenance for additional downtown services pursuant to the SSMID is consistent with the City's land use policies and goals. On October 23, 2006 the City Council adopted a City Goal Statement that "Downtown Des Moines will be a "24-7" city within a city, with a strong employment base, entertainment and recreation opportunities, housing, and retail." The City's What's Next Downtown? adopted in March 2008 identified core principles for achieving this goal. Those principals included VIBRANT (creating a downtown that is an inviting, vibrant place for people to live, work and play); HEALTHY (adhering to sound environmental principles will improve the health of our downtown); DIVERSE (diversifying business, cultural and housing opportunities to encourage interest in downtown from a variety of Downtown residents and visitors); and ACCESSIBLE (making downtown appealing and accessible to a wide range of ages, income levels and demographic backgrounds). Further, the continuation of the SSMID District is consistent with the goals and objectives of the Metro Center Urban Renewal Project to create and maintain a vibrant downtown. The SSMID is consistent and does not conflict with the Des Moines 2020 Community

Character Land Use Plan and applicable zoning ordinances.

8. The services and activities identified in the purposes of the SSMID further the objectives of the Metro Center Urban Renewal Project particularly:

General

- a. Preserve and create an environment which will protect the health, safety, and general welfare of city residents and maintain and expand taxable values of property within the area.

Economic Development

- a. Provide for orderly expansion of downtown Des Moines as a retail, financial, business, administrative, governmental, and cultural center of the metropolitan area and the region.
- b. Encourage and support development which will enhance and make the best possible use of riverfront, cultural, and other public facilities, resources and investments.
- c. Ensure that the area is adequately serviced with public utilities and services to support contemporary development requirements.

Further the services and activities identified under the purposes of the SSMID are consistent with the economic development activities identified in the Metro Center Urban Renewal Project plan and further the economic development public purposes defined in Iowa Code Chapter 15A. As represented and warranted in the SSMID petition, the activities, improvements and services provided by the Downtown SSMID are essential to the City's efforts to create new jobs and income in the City and to retain jobs and income in the City that would otherwise be lost.

Feasibility of the Project

The SSMID operation tax will be sufficient to pay the anticipated costs and other expenses for the SSMID activities and services. The SSMID Board will annually budget services and activities on the basis of available SSMID funds so there will be no cost overruns for the SSMID project.

There are a large number of nontaxable properties within the SSMID. To augment the service and activities supported by the SSMID operation tax, some tax exempt entities will contract directly with Operation Downtown to fund such services and activities. Operation Downtown will also contract to receive funds for the provision of services to some properties outside the District.

Recommendation

The petition to continue and expand the "Downtown Des Moines Self-Supported Municipal Improvement District" meets the criteria as outlined in Chapter 386 of the Iowa Code for such districts. The petition is valid and the expanded SSMID project continues to have merit. The Commission forwards this report to City Council to set the date of public hearing for continuation of the District.