

★ **Roll Call Number**

Agenda Item Number

50A

.....
November 19, 2007

Date

Communication from the City Plan and Zoning Commission advising that at a public hearing held on November 15, 2007, its members voted 9-3 to find the Beaverdale Commercial Area Urban Renewal Plan boundary from Wallace Lane to Beavercrest Drive in conformance with the Des Moines' 2020 Community Character Plan and designated as an Urban Renewal District.

MOVED by _____ to receive and file.

FORM APPROVED:

Roger K. Brown
Assistant City Attorney

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

November 19, 2007

50A

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 15, 2007, the following action was taken:

COMMISSION RECOMMENDATION:

After public hearing, the members voted 9-3 as follows:

Commission Action:	Yes	Nays	Pass	Absent
Leisha Barcus	X			
David Cupp	X			
Shirley Daniels		X		
Dann Flaherty		X		
Bruce Heilman				X
Jeffrey Johannsen				X
Greg Jones	X			
Frances Koontz		X		
Kaye Lozier	X			
Jim Martin	X			
Brian Millard				X
Mike Simonson	X			
Kent Sovern	X			
Tim Urban	X			
Marc Wallace	X			

To find the Beaverdale Commercial Area Urban Renewal Plan boundary from Wallace Lane to Beavercrest Drive to be in conformance with the Des Moines' 2020 Community Character Plan and designated as an Urban Renewal District.

A previous motion to find the entire Beaverdale Commercial Area Urban Renewal boundary from Douglas Avenue to Beavercrest Drive in conformance failed by a vote of 6-6.

STAFF RECOMMENDATION AND BASIS FOR APPROVAL

Staff recommended that the Commission find the entire Beaverdale Commercial Area Urban Renewal Plan from Douglas Avenue to Beavercrest Drive in conformance with the Des Moines' 2020 Community Character Plan.



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

STAFF REPORT

I. GENERAL INFORMATION

The City of Des Moines is proposing to designate an Urban Renewal Area for the Beaverdale commercial corridor. The proposed area is approximately 36 acres in size and has its centerline along Beaver Avenue. The boundary for the area is based on existing commercial zoning and is generally located along Beaver Avenue between Douglas Avenue on the north and Beaver Crest Drive and Sheridan Avenue on the south.

The purpose of this urban renewal plan is to enhance private development within this urban renewal area through provision of infrastructure improvements and economic development financial assistance that will be provided, in part, with the tax increment revenues generated in the urban renewal area.

The Beaverdale commercial corridor is faced with challenges of aging infrastructure and building stock, as well as ever increasing retail competition from other areas within the region. Even with these challenges this commercial corridor has remained vital over the years with few vacancies. However, the redevelopment of underutilized parcels and improvements to the physical environment will ensure this corridor remains strong for years to come.

The proposed Beaverdale Commercial Area Urban Renewal Plan will result in new commercial opportunities, additional employment, housing and residential development, increased tax base and improved livability. The location within the historic Beaverdale neighborhood, as well as close proximity to east-west arterials of Douglas Avenue and Hickman Road will aid in attracting commercial redevelopment. A copy of the plan has been included in the Plan and Zoning Commission packet.

The proposed urban renewal plan does not include the proposed Beaverdale Hy-Vee site. Any proposal to include this site will require an amendment to the urban renewal plan in the future.

II. DES MOINES' 2020 COMMUNITY CHARACTER PLAN

Staff believes the Urban Renewal Plan is in conformance with the goals of the Des Moines' 2020 Community Character Plan, specifically those mentioned in Chapter 1 "Underlying Principals" and Chapter 5 "Existing Character of Commercial Land Use", which promote economic growth, the strengthening of Des Moines' traditional neighborhoods, and well designed pedestrian oriented development.

SUMMARY OF DISCUSSION

Mike Ludwig: Presented staff report and recommendation. Noted the proposed Urban Renewal Plan boundary does not include the proposed Beaverdale Hy-Vee site. Addition of the H-Vee site to the proposed Beaverdale Commercial Urban Renewal Area would require consideration of an amendment to the Urban Renewal Plan at a future date.

Kaye Lozier: Asked why areas where it is known there will be development are not being specifically requested.

Roger Brown: Explained what led staff to recommend it be done as one unified district was the belief that the two commercial nodes are connected economically and they both suffer or succeed to a degree based on what happens to the other. At the south end is Joe's Square, which the City has signed an economic development agreement for that is a definite project and there is the Rice School project, which will likely develop. At the north end there are a number of under-utilized

properties but the thought was there should be a unified streetscape through there; unified public improvements to treat the district as a whole. From a financial standpoint the TIF can only be used in the Urban Renewal District.

Larry Hulse: Explained the district allows expenditures to occur where the tax increment is captured.

Kaye Lozier: Asked if any new development would take place in the area south of Urbandale Avenue and if just the street could receive TIF for the streetscape or if the entire area has to be included in the Urban Renewal boundaries.

Mike Ludwig: Was not aware of any plans for that area but explained there is still growth on the assessed values on those areas over the ten-year period and the incremental increase in tax revenue from existing developed areas would be captured.

Andrea Hauer, Office of Economic Development: Explained the boundaries were also based on the existing zoning and pointed out the area south of Urbandale Avenue is a C-2 zone. Indicated the businesses in the area will be benefited and explained that TIF could assist with streetscape improvements that would help preserve and enhance existing retail base in the plan boundary.

Greg Jones: Asked if the north boundary includes all commercially zoned property.

Mike Ludwig: Explained there is commercial zoning north of Douglas Avenue, as well.

Greg Jones: Expressed concern that if it is a Beaver Avenue streetscape, there are some properties that front along Douglas that may by default benefit but they will not get a streetscape in front and there are pieces that are being missed such as the Walgreen's and Wells Fargo, both to the North and asked why those specific businesses were not included in the area.

Roger Brown: Explained the Douglas Avenue right-of-way is within the plan as part of the area. Indicated the street itself is included in the area but the properties across Douglas are not because Walgreen's was recently redeveloped and it is unlikely there will be any new development on that site within the 10-year period of the plan.

Leisha Barcus: Asked why the Hy-Vee property would not be included at this time so the TIF dollars that would be generated from it could be captured.

Mike Ludwig: Explained at the time notice was advertised of the Urban Renewal boundary, the Hy-Vee property was zoned residential and it still has not been rezoned by City Council. Explained in the future an amendment could be considered that would add the Hy-Vee site to the Urban Renewal boundary.

Dann Flaherty: Asked if a communication could be sent to Council asking them to add the Hy-Vee site to the Urban Renewal boundary.

Mike Ludwig: Noted the Commission would get the opportunity to review an amendment in the future but indicated the Commission could also comment on it at this time.

CHAIRPERSON OPENED THE PUBLIC HEARING

The following individuals spoke in favor of this item.

Neal Weston, 1811 44th Street, President of Beaverdale Main Street Initiative: Expressed concern that there was supposed to be commercial funding in the neighborhood that never came about and they are attempting now to bring the commercial corridor up to the standards of the residential

areas. The success of Beaverville depends on both a strong residential and commercial corridor and they want to do whatever is necessary to ensure there is an opportunity for the have. Indicated the Beaverville Main Street Initiative has been working on a streetscape along Beaver, which would encompass the entire length of the district. They are intending for a substantial portion of the TIF revenue that will be generated by the district to be used for that streetscape purpose. Urged the Commission to find the Beaverville Commercial Area Urban Renewal Plan to be in conformance with the 2020 Community Character Plan and explained the improvements that could be done with TIF money.

Roy Cacek, 4316 Ashby Avenue, Des Moines, Vice President of the Beaverville Neighborhood Association: He indicated the Neighborhood Association supports the TIF district and asked for the Commission to approve the Beaverville Commercial Area Urban Renewal Plan.

The below individuals spoke in opposition and expressed the following concerns:

- TIF in the Beaverville area would not satisfy the “but for” provision that Iowa Law requires for any area under consideration for economic development funding.
- The area designated to become an Urban Renewal TIF district in Beaverville does not meet the requirements of an Urban Renewal district because there is no presence of blight slum or economic stress.
- TIF in Beaverville would be a blatant misuse and abuse of public funds that could be used in low-income areas where they are needed.

Nancy Jewett, 2422 Maryland Pike

Cathy Buckley, 4211 Amick Avenue

Jay Buckley, 3611 42nd Street

Richard Jewett, 2422 Maryland Pike

Sharon Hummel, 4120 Amick Avenue

Diane Kebede, 4004 Amick Avenue

Jack Holveck, 2007 47th Street: Expressed concern that the benefit is being given to some well-connected developers and is not what TIF was intended for. There are many areas in the city that need the economic boost from TIF more than Beaverville.

CHAIRPERSON CLOSED THE PUBLIC HEARING

Mike Simonson: Moved staff recommendation.

Tim Urban: Expressed surprise at the articulation of the opponents and suggested the “but for” was very well discussed. Suggested TIF has been used to stimulate development in other areas, but questioned why City Council was focused on proliferating TIF on commercial areas. Did not believe the Beaverville Urban Renewal area was in conformance with the 2020. Would vote against the motion.

Jim Martin: Questioned Legal Counsel about the “but for” language and asked him to speculate how West Des Moines would have viewed the language in designating the Jordan Creek mall area as an Urban Renewal area.

Roger Brown: Explained the legal test for designation on economic development indicating City Council has to make a finding that the area is appropriate for development for commercial use or

is an area appropriate for public improvements related to housing. Indicated if public dollars are going to be used to make grants for private development, the real test is if there will be jobs created, which is what economic development in Iowa is about. The legal standards that have to be met are to determine areas that are appropriate for commercial development, but explained the Plan and Zoning Commission is only being asked if the development proposed by the Urban Renewal Plan is consistent with the Comprehensive Plan. The Urban Design Review board will look at individual projects, look at the dollars involved in those projects and apply the “but for” test at that time.

Fran Koontz: Suggested that by granting the TIF along the corridor of Beaverville the subsidies will be given to the developers who would have developed there anyhow. She commended the speakers on their respectfulness and articulation.

Shirley Daniels: Commended the speakers and indicated she would not support the proposal because she knows too many people in areas that could better use the funding.

Marc Wallace: Suggested a good point was made by the speakers that city money should be concentrated in more blighted areas. Explained TIF can be designated for agricultural land, as well. Suggested the scope of the presented project has expanded beyond where was necessary and voiced opposition to the motion based on that.

Greg Jones: Suggested the task of the Commission was to determine if it was in conformance with the 2020 plan and noted it is so he will vote in favor of the motion even though he would like to say “no”. The City’s task is to find a way to spend public money.

David Cupp: Indicated the Commission was only being asked to determine if the Urban Renewal area is in conformance with the 2020. Asked about the relationship between TIF and tax abatement.

Kent Sovern: Explained tax abatement and TIF are contradictory concepts and explained that in TIF the property taxpayer is contributing an increased value into a fund that then gets spent on public improvements. If the tax is abated there is no revenue to spend for public improvements. To put in a TIF district and then give abatement would be the worst of public policy.

Matt Anderson, City of Des Moines Economic Development Administrator: Explained the commercial and multi-family space at the Rice development would not apply for tax abatement. The residential is eligible for 5 year 100% abatement but they will not apply for it contractually. On the north edge of the Rice development site there are some owner-occupied duplex units that are eligible and will apply for the 5-year 100% abatement and the TIF calculations took that into account that the tax increment on those owner-occupied units would not begin until year 6 after the 5-year abatement. The commercial space and housing above it along Beaver will be fully assessed in year one.

Larry Hulse: Noted all the prepared comments would be put into the record and forwarded to the City Council.

Dann Flaherty: Questioned if the proposed Plan would improve the area and explained when there is an area that has started to move forward, TIF is inappropriate and noted during the creation of the 2020 Plan there was no discussion about a Beaverville Urban Renewal Plan or about Beaverville being an Urban Renewal area. Did not think the Beaverville area to be an area that needs TIF funding. Commended the Beaverville residents for articulating their thoughts and concerns and for their public passion.

Tim Urban: Read the portion in the Urban Renewal Plan relative to the 2020 Plan and its application to the subject proposed Urban Renewal District. Indicated the area around Urbandale

Avenue meets the standards set forth in the Plan but the area to the north of Wallace Lane does not. The Urban Renewal Plan lists specific criteria called for in the 2020 Plan regarding land use, in particular mixed use in commercial development. Noted the 2020 plan sets goals to go beyond the commercial character of most of the community and attempts to set standards to create something better for the community so there is a distinct difference between the zoning of areas and what the Plan is asking for. Expressed concern that the Beaverdale Urban Renewal District is an attempt to question if the district would allow the concerns expressed in the 2020 Plan to be addressed. Didn't feel there could be an argument made that the node to the north does and suggested the only reason the node to the north is included is because of Hy-Vee and the value created by Hy-Vee is being captured to invest in the project to the south. Concerned if the Beaverdale Urban Renewal Plan is approved there would be no reason to say "no" to any other TIF districts for commercial development such as the area to the north.

Larry Hulse: Explained both the group that spoke in opposition of TIF and those who spoke in favor were very well spoken and presented their arguments well. Explained what TIF does and indicated there is not a "but for" clause in this type of Urban Renewal. Indicated the area to the north on the proposed Beaverdale Commercial Urban Renewal area has in the past been developed in a Highway Commercial character. However, there are some buildings along Beaver Avenue that have a pedestrian character and the Beaverdale groups are working on plans to link the commercial areas because Douglas is a "front door" to Beaverdale.

Leisha Barcus: Would vote in favor of the motion because she sees it as a favorable tool for economic development. Suggested Beaverdale could be better and it would provide some major improvements to the neighborhood. She was opposed to projects such as Hy-Vee getting TIF and did not want to see it be used as a hand-out to developers but affirmed it was not the task of the Commission to make that decision. Indicated if Hy-Vee tried to use TIF she would be at the City Council meeting. Would like to see the TIF available for the neighborhood to utilize.

Greg Jones: Agreed that the north area is different than the south neighborhood in the proposed Urban Renewal area. He was hoping the northern corridor could be an NPC and explained there are things there that do fit the Urban Renewal District. Suggested there could be a way for TIF to be used to help the area.

Kent Sovern: Called the question.

Motion to find the entire proposed Beaverdale Commercial Urban Renewal Plan boundary from Douglas Avenue to Beavercrest Drive in conformance with the 2020 Community Character Plan failed 6-6.

Tim Urban: Suggested a case could be made to set an appropriate precedent for retail commercial revitalization in the city by identifying the southern node as suitable for urban revitalization and establishing an Urban Renewal District, but suggested the northern node designation was not suitable. Recommended that only the area to the south of Wallace Lane meets the standards in conformance to the 2020 Community Character Plan. Explained the Council would have to go through the procedural steps to reconstitute the district and bring it up for hearing again.

Kent Sovern: Resisted the motion because there is not enough development potential in the southern node to do the things that would need to be done.

Roger Brown: Explained a recommendation was to be made to the City Council. He understood the motion to be that if the southern nodes could be appropriately designated for economic development but would be improper to designate the northern portion and noted that would be an appropriate recommendation. The City Council can approve Urban Renewal designation for the subject district or approve something smaller for the district, but they could not expand the district

without going back through the process. Explained the proposed Hy-Vee building is not in the proposed district and the proposed Urban Renewal Plan was conceived before the Hy-Vee proposal came along.

Tim Urban: Indicated the southern area he was talking about included two redevelopment sites, both of which will add value to the district. The question is whether they will add enough value to pay for the deal cut with the two developers and that is not the issue. Explained the matter before the Commission to be whether the district being created as an Urban Renewal District conforms to the 2020 Plan. Suggested there need to be clear guidelines that dictate what the 2020 Plan does and does not call for.

Kent Sovern: Explained he had no knowledge of any agreement between any developer and the City and suggested Commissioners were jumping to conclusions that such an agreement existed. Noted he saw nothing in the northern district that conflicts with the characteristics of the 2020 Plan. The question was whether the Urban Renewal District could work in unison with the northern and southern portions and he believed it could.

Tim Urban: Moved to recommend to City Council that the portion of the Urban Renewal Plan boundary south of Wallace Lane be found to be consistent with the 2020 Plan and designated as an Urban Renewal District.

David Cupp: Asked Matt Anderson about if the projects would generate enough money for a TIF.

Matt Anderson: Explained both projects are self-sufficient and will pay their property taxes annually and a certain percentage of their own property taxes will be granted back to them. Noted the Hy-Vee project is not a part of the proposed district. If Hy-Vee were a part of the District it would allow additional tax increment available if the City Council desired to spend it on the streetscape or other improvements.

Larry Hulse: Noted the northern area does not include all the Hy-Vee property. Having tax increment financing there and as a tool would allow Economic Development and Urban Design Review Board to push some additional character items called for in the 2020 Plan.

Marc Wallace: Suggested a more positive statement for the motion to be that it is the sense of the Commission that the southern area south of Wallace Lane does meet the designation.

Tim Urban: Accepted.

Kaye Lozier: Asked what happens if the Urban Renewal Plan were approved.

Tim Urban: Explained once a TIF district is created it is self-contained so any improvement generated from the southern node district would be within that district. Anything beyond that would require separate funding.

Larry Hulse: Explained the increment can be collected and spent within the individual TIF district only.

Kent Sovern: Noted he would support the motion only because to vote against it would say that the southern portion does not meet the requirement, but he didn't think the real objectives of improving the Beaver corridor could be met without the northern section.

Dann Flaherty: Asked if it was the street of Wallace Lane as well.

Tim Urban: Explained the motion would be indicating the Commission's support of the revitalization of the Beavertdale center and understand there would be new value created by the

two new projects that would go back into allowing the two projects to happen. What the Commission does not know is whether additional revenue would be available for other improvements within the district, but the Commission is not asked to advise the City Council on whether or not the district can generate revenues beyond the purpose for which is originally proposed. The two projects are purportedly self-sustaining and would be allowed to occur based on the incentives provided to them by the District.

Kaye Lozier: Would support the motion but did not believe it to be good public policy to eliminate a portion of the Urban Renewal development area that would benefit the Beaverdale area in the long run.

Fran Koontz: Indicated approval would be helping a neighborhood that doesn't need the help that other neighborhoods really need.

Marc Wallace: Called the question.

Motion passed 9-3 (Fran Koontz, Dann Flaherty, and Shirley Daniels were in opposition).

Respectfully submitted,



Michael Ludwig, AICP
Planning Administrator

MGL:dfa

Attachment

Beaverdale Commercial Area Urban Renewal Plan

Des Moines, Iowa

Adopted: November XX, 2007

Roll Call No. 07-

Urban Design Review:	11/6/07
Plan & Zoning Commission Review:	11/15/07
Tax Increment Consultation Meeting:	10/18/07

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I. PROJECT DESCRIPTION

The purpose of the Beaverdale Commercial Area Urban Renewal Plan is to enhance private development within this urban renewal area through provision of infrastructure improvements and economic development financial assistance that is provided, in part, with the tax increment revenues generated in the urban renewal area.

A. Background

The Beaverdale neighborhood initially developed in the 1910-1920 period with the commercial and residential development radiating from the streetcar and interurban trolley lines on Urbandale and Beaver Avenues that connected the area with the downtown. The lines became major auto arterial streets as the streetcar and trolley systems disappeared.

Commercial and retail development to serve this new residential area quickly occurred along the major streets—Beaver, Urbandale and Douglas Avenues—reflecting the desirability of Beaverdale. These streets, with their wider lanes, permitted higher traffic volumes than the adjacent residential streets while still allowing easy pedestrian access by neighborhood residents.

The overall appearance of the Beaverdale commercial area on Beaver Avenue reflects a mixture of old and new components. The older commercial areas, on Beaver Avenue from Urbandale Avenue extending south to about Shawnee St., have pedestrian-oriented structures built in a compact and contiguous manner, often 2-3 stories in height with storefronts close to the sidewalk and parking typically on the street or in the back of the building. The post-World War II commercial areas are much more auto-oriented with single story, larger linear buildings, often without sidewalks and with parking on the property in front and or back of the structure. The commercial development on Beaver Avenue between Ovid Avenue extending north to Douglas Avenue reflects this newer design pattern.

The continued viability of the Beaverdale commercial areas is a testament to the vitality of Beaverdale as well as the businesses' ability to adapt and change to meet the residents' needs.

In 1991, the City of Des Moines selected the Beaverdale neighborhood as a "Designated Neighborhood" which required the area to have a City Council-approved neighborhood action plan that addresses neighborhood issues and prepares for the future. The City then provided financial assistance to improve the area's residential infrastructure and housing stock over a 3 year period in accordance with the action plan.

The action plan established residential, commercial, and public improvement goals for Beaverdale. The residential goals included increasing homeownership affordability and improving the existing housing stock while retaining the distinct Beaverdale character. These goals were successfully implemented with home purchase and home improvement loan programs.

The commercial goals to improve and grow the existing commercial areas were not as successful. At the time, the Beavertdale Merchants Association did not have the capacity of the current business association, which made implementing the goals difficult. Today the business association for Beavertdale is well-organized and eager to improve the Beavertdale business district.

Public improvements identified in the Beavertdale action plan were successfully implemented. The infrastructure, parks, and bike trail improvements have all been completed. The neighborhood continues to partner with the Des Moines Police Department to address any crime issues. The community center called for in the plan was constructed on Franklin Avenue and has proved to be a valuable amenity to Beavertdale and the surrounding neighborhoods.

Today, the Beavertdale commercial corridor is experiencing physical change with the aging of its building stock as well as increased competition from other retail areas and internet-based businesses. The physical changes to the Beavertdale commercial corridor include demolition of existing underutilized structures for redevelopment on a more intensive basis and the proposed sale of a large vacant site by the Des Moines School District for a mixed use commercial/residential redevelopment.

In response to these changes and to provide approaches to building for the future, the Beavertdale Neighborhood Revitalization Strategy (2004) neighborhood-funded study was undertaken. This report states that neighborhood residents want to maintain a vibrant business community in the area. This report further states that while there are few commercial vacancies in the area, the overall physical environment could be improved through provision of parking at certain locations, the addition of improved lighting and signage, and installation of streetscape elements such as wider sidewalks, planters, trees, benches, bike racks and trashcans.

In addition to the physical improvements, other strategies suggested by this plan to achieve the goal of a vibrant business area include:

- Encouraging retail on the street level spaces with office or service businesses on upper levels.
- Undertaking market research to determine demand for various types of businesses especially those that are compatible with the neighborhood's family orientation.
- Creating a promotional plan for the area.
- Encouraging specialty food-oriented businesses to locate in the area.
- Constructing new retail space, possibly in conjunction with housing, to attract additional housing choices for the area.

B. Boundaries of Urban Renewal Area

The general location of the Beavertdale Commercial Area Urban Renewal Area is shown on Map No. 1: Location within the City of Des Moines.

The boundaries of the Beaverdale Commercial Area Urban Renewal Area are shown on Map No. 2: Project Boundary. These urban renewal area boundaries are based on existing commercial use and zoning. The area is generally located along Beaver Avenue between Douglas Avenue and Beaver Crest Drive and Sheridan Avenue and encompasses about 36 acres.

The boundaries of the Beaverdale Commercial Urban Renewal Area are more specifically described in the accompanying "Appendix A: Legal Description".

C. Recognized Neighborhood Designation

The urban renewal area is located within the Beaverdale Neighborhood which is a "Recognized Neighborhood" as designated by the Des Moines City Council by approval of a formal resolution finding the neighborhood has met specified minimum standards.

D. Eligibility under Iowa Law

Chapter 403 of the Code of Iowa provides a municipality may formally designate an urban renewal project in an area the City Council has determined, by resolution, to meet certain specified criteria.

In accordance with the Code of Iowa, it is determined the Beaverdale Commercial Urban Renewal Area qualifies as an economic development area due to its appropriateness for development of commercial enterprises and public improvements related to residential development.

II. LAND USE AND REDEVELOPMENT

A. Conformance with the City’s Comprehensive Land Use Plan

State law requires that a municipal comprehensive land use plan must be adopted prior to adopting an urban renewal plan. On August 7, 2000, by Roll Call No. 00-3381, the City Council of Des Moines adopted the Des Moines 2020 Community Character Plan and map as its comprehensive land use plan.

The amended Des Moines 2020 Community Character Plan (“2020 Plan”) designates the following land uses, further described on the following chart, which are located within the Beaverdale Commercial Urban Renewal Area and are shown in this plan as Map No. 3: 2020 Land Use Map. No changes to the adopted 2020 Plan Map due to the urban renewal area designation are proposed.

	<i>Use</i>	<i>Function in the Urban Renewal Area</i>	<i>Permitted Uses</i>
Residential	Low Density Residential	An area for single family and existing duplex development for a net density of up to six units/acre. This use encourages reuse of lots of record and homeownership.	Residential uses as permitted in the R1 district regulations contained in the City of Des Moines Zoning Ordinance
	Low/Medium Density Residential	An area for a mix of single family, duplex and lower density multiple-family units for a net density of up to twelve units per acres	
Commercial Pedestrian Oriented	Small-Scale Strip Development	Small-to-moderate scale commercial development in a linear pattern that <i>primarily</i> serves the passing motorist. A building may be over 35,000 sq. ft. in size with individual modules within the building from 2,000 to 20,000 sq. ft.	Commercial uses as permitted in the C-1 and C-2 zoning districts including retail and office uses.
	Neighborhood Node	Small scale commercial development, with a cumulative building total of 25,000 to 50,000 sq. ft., primarily serving the adjacent neighborhood’s pedestrians and motorists.	
	Neighborhood Commercial Center	Small –to –moderate scale commercial development with specialty retail and services located in buildings that cumulatively total 75,000 – 100,000 sq. ft. that primarily serves the adjacent neighborhood.	Commercial uses as permitted in the C-O, C-1 and C-2 zoning districts.

The 2020 Plan describes Beaverdale as one of Des Moines’ traditional neighborhoods. Traditional neighborhoods within Des Moines are recognizable and memorable. Although they may vary in architectural style, physical layout, age, and size, the neighborhoods share distinguishing qualities that have contributed to the neighborhood’s success:

- A definable edge and commercial center or node;
- Walkable size;
- A variety of uses including dwellings, schools, churches, shopping, and recreation;

- A grid system of interconnecting pedestrian-friendly streets with breaks or curvilinear alignments defined by natural features;
- Amenities that provide for both the needs of the pedestrian and the needs of the automobile; and
- Special spaces that may include parks and civic buildings functioning as gathering places.

The 2020 Plan characterizes traditional neighborhoods as having pleasant public spaces in residential and commercial areas with a distinct sense of place. Human scale, pedestrian-friendly improvements such as on-street parking, sidewalk improvements and street trees generally provide amenities for residential and commercial uses.

Further, the 2020 Plan states this approach of planning for both the automobile and the pedestrian can be a precarious balance. For the pedestrian, the sense of human scale and community must be maintained. Safe, convenient and adequate parking and traffic connections must also be provided. Some streets will necessarily be more auto-oriented and some more pedestrian-oriented. However, no street should be developed where there is no consideration for the pedestrian. New development should be compact to promote walking and transit.

Compact development is very important in commercial development and its accommodations for the automobile. Mixed-use developments and neighborhood commercial services should be provided near residential development. Additional concepts related to development described in the 2020 Plan advocate:

- Services clustered together along walkable streets promote walking rather than driving to every store. The concept of shared, rather than fragmented, parking lots is necessary to create pedestrian compactness. Exploration of maximum and minimum number of parking spaces for commercial development is also important in encouraging more dense development.
- Buildings should frame the street with the width of the street complementing the building height. If the street becomes too wide or large setbacks are instituted on either side of the street, the sense of connection between the buildings and the street is lost. Consequently, the motorist or pedestrian then loses a sense of relationship between the street and adjacent land use.
- To help create the street/land use relationship, pedestrian amenities must become an integral component of street improvements and design. Safe and convenient pedestrian facilities, including sidewalks and walking trails, should be fully integrated into the pedestrian transportation system. Sidewalks should encourage and create walking and bicycle connections among residential, recreational and commercial areas.

A major element advocated for the traditional neighborhoods in the 2020 Plan is the creation of 'gateways' as welcoming, distinct elements on major streets that express neighborhood identity. Gateways can be created and enhanced, such as on Beaver Avenue with the use of streetscape elements such as lighting, trees and related landscaping and signage.

B. Conformance with Zoning

Existing zoning in the urban renewal area is shown on Map No. 4: Existing Zoning; this map represents the zoning in place at the time of adoption of this urban renewal plan. No changes in the zoning in the area due to the urban renewal area designation are proposed.

If and when rezoning is requested in the urban renewal area, the applicant is encouraged to rezone to or incorporate development concepts contained in the Neighborhood Pedestrian Commercial zoning category.

C. General Development and Financial Requirements

As part of this urban renewal plan, these general development controls and guidelines shall be imposed on projects requesting tax increment financial assistance (TIF).

The intent of these requirements is to provide design and financing guidance that will integrate new development in the commercial urban renewal area in a manner respectful to the Beavertdale area's 'look and feel' and assist in meeting the goals and objectives of this urban renewal plan as enumerated in "Section III. Project Objectives".

1. All development is subject to the general zoning requirements detailed in "Chapter 134 – Zoning" of the Des Moines Municipal Code and as applicable, development within the Neighborhood Pedestrian Commercial District is subject to the design guidelines outlined in Section 82-214, "Design Guidelines Within NPC Districts" of the Des Moines Municipal Code.

2. All development assisted with tax increment revenue financing from the Beavertdale Commercial Area Urban Renewal Plan is also subject to review and recommendation from the Urban Design Review Board. City ordinance requires review of individual projects in terms of financial need for the project and site/building design.

A. The criteria the Board shall evaluate for making recommendations on design are, but not limited to:

- How detail is handled on the individual project in terms of scale, proportion, color, articulation, massing, patterning, setbacks and exterior materials.¹ Details that add character and define depth by adding a richness to the large and small scale elements are desired.
- How the project promotes Beavertdale livability and works on a pedestrian scale by providing an attractive and appealing physical environment for residents

¹ EIFS ("Exterior Insulation and Finish System"), "synthetic stucco" and related exterior materials are strongly discouraged as an exterior material. If it is used as an exterior material, the developer shall address why it is being used and other options that can be used in place of the EIFS.

and respects the neighborhood's character, design and historic features while creating attractive live/work/play environments.

- How long-term sustainability is incorporated in the project building and site plans based on selection of construction materials and internal systems such as energy, lighting, heating and ventilation, siting and landscaping. Exceeding minimum standards of the energy code and reducing the carbon footprint of building scheme is desired.
- How the project promotes efficient utilization of existing infrastructure and deployment of effective private stormwater management.
- How the project advances accessibility with a choice of transportation options so functions can be easily reached from inside and outside the area through the installation of walkways, bike racks, bus stops, etc.

B. The criteria the Board shall evaluate for making recommendations on the qualification, reasonableness and appropriateness of TIF financial assistance are, but not limited to:

- A five year proforma from the developer that shows sources and uses of funds for the project.
- An explanation of the need for the TIF assistance including evidence of conventional financing terms and conditions, why a financial "gap" exists and a discussion of alternate methods to reduce the need for TIF.
- What public benefit is received if this project receives the TIF assistance

3. Public improvements, especially those along the public right-of-way such as streetscapes and other elements that are intended to make a 'gateway' element, should:

- Use compatible materials (scale and color) in relation of buildings to the street.
- Minimize the use of pole signs.
- species of trees recommended for planting are overstory trees with a height at maturity that creates a strong street canopy.

4. . Neighborhood consultation on design: The City Council shall request the City-recognized neighborhood organization for its comments on a proposed public or private project's design prior to Council's formal action on the project's design that utilise tax increment financing.

Map No. 5 Development Activities provides a general location of public improvements to be assisted with TIF. Utilities within the urban renewal area may be assisted with TIF even if not designated on map.

III. PROJECT OBJECTIVES

A. Plan Goals and Objectives

The Beavertdale Commercial Urban Renewal Area is principally a neighborhood commercial node within a residential neighborhood. Accordingly, the goals and objectives for this urban renewal plan are based on principles that acknowledge the fundamental function of a neighborhood is to provide a safe, attractive environment for residents with complementary uses and services that enhance the residential development.

The goals of this plan are to encourage commercial development that will have the following attributes:

- Placemaking with development that respects neighborhood's character and human-scale, design and historic features while creating attractive live/work/play environments.
- Commercial diversity with a variety of cultural, social, recreation, business and related services provided.
- Sustainability with building and site plans based on low environmental impact in the selection of construction materials and internal systems such as energy, lighting, heating and ventilation, siting and landscaping.
- Efficient use of public resources with development that promote efficient utilization of existing infrastructure and private construction of on-site facilities to service new development.
- Accessibility so functions can be easily reached from inside and outside the area with a choice of transportation options.
- Livability to provide an attractive and appealing physical environment for residents.

B. Description of Activities to be Undertaken

The City of Des Moines through a public process that involves neighborhood organizations, business associations, residents and City Boards and Commissions will implement the goals, objectives and activities described above. Additional steps necessary to implement the Beavertdale Urban Renewal Plan include:

1. Continued planning. The City will continue efforts to assess and respond to problems, needs and opportunities within the Beavertdale Commercial Urban Renewal Area through appropriate measures that may include, but is not limited to, additional technical studies, preparation of streetscape plans and discussions with property owners, prospective developers, citizens, and public officials. This effort may result in the publication of additional reports, regulations and guidelines, project plans or other documents that aid in refining the goals, objectives and activities of this Plan.

The City may also participate in planning efforts with other public and private interests that will help to accomplish the goals, objectives, and activities of this Plan. The City will be responsible for reviewing planning proposals and for coordinating such proposals so as to implement the objectives of this Plan.

The City may take the initiative to implement zoning changes and other regulations in conformance with this Plan.

2. Information and technical assistance. The City will prepare and distribute informational materials and provide technical assistance where appropriate to property owners, prospective developers and citizens residing or doing business in the Beaverdale Commercial Urban Renewal Area. The City may cooperate in the preparation of development proposals, coordinate proposals for various parts of the Area, obtain approvals and assistance from other levels of government and prepare educational and informational documents which aid in the achievement of the objectives of this urban renewal plan.
3. Provision of public services. The City will provide and coordinate appropriate levels of public services throughout the urban renewal area to support and encourage achievement of the objectives of this Plan. These services may include police, fire, recreation, public improvements, recreation and other types of services.
4. Funding.
 - a). The City will pursue sources of funding which will assist in the achievement of the goals and strategies of this Plan. This may include but is not limited to issuance of bonds, loans, grants, general fund expenditures, special assessments, participation in state or federal programs, joint exercises with other units of government, tax abatement, cooperation and coordination in joint development of mixed-use projects with private and public agents, sale of property or services, revenue funding, and solicitation of developer offerings.
 - b) As appropriate, the City will pursue appropriate agreements with Polk County, the State of Iowa and other governmental jurisdictions to provide funding and assistance for the planning and implementation of project proposals.
5. Rights-of-Way. The City may acquire and provide rights-of-way required to accommodate needed public improvements or facilities and to assure adequate design of such facilities.
6. Establish requirements for redevelopers. Developers, rehabilitators, and redevelopers will be required to observe the requirements of this Beaverdale Commercial Area Urban Renewal Plan as well as any and all established development regulations of the City of Des Moines. Where public funds and/or the undertaking of public improvements are involved in private development, the City will seek to assure compliance with this Urban Renewal Plan and standards by contractual agreement.

The design objectives of this Plan are to encourage attractive and functionally sound redevelopment through appropriate architectural design, construction techniques and landscape principles to achieve an attractive and efficient building design that complements the adjacent neighborhoods and businesses. These objectives are clearly defined in the City's Zoning Ordinance, Site Plan Ordinance and Site Plan/Landscape Policies.

Redevelopers must commence construction in a timely manner after an urban renewal development agreement has been executed by the City Council and project financing and architectural plans have been approved by the City Council.

The following redevelopment provisions shall be included in any urban renewal development agreement.

- Construction of private improvements will be initiated and completed within a reasonable time as specified by contractual agreement.
 - City Council shall review and approve design plans prior to start of construction.
 - Redevelopers will comply with the City's Non-Discrimination Policy set forth in Section 62-169 of the Des Moines Municipal Code as amended.
7. Utilities. Insure that the urban renewal area is adequately serviced with public utilities and other site improvements necessary to support redevelopment requirements.
 8. Public improvements. An intent of this Plan is to provide, maintain, improve and repair public improvements. These improvements include street modifications, sewers, open spaces, streetscape, landscaping, sidewalks, curbs and other facilities and features needed to help achieve the objectives of this Plan.
 9. Economic Development Loans and Grants. Financial assistance in the form of loans or grants may be provided to private entities to assist in the development of commercial and mixed use projects in compliance with this Plan.

IV. DURATION OF URBAN RENEWAL PLAN

The Urban Renewal Plan for the Beavertdale Commercial Area shall expire on the earlier date of:

- a. January 1, 2020
- or
- b. June 30th of the tenth fiscal year beginning with the second fiscal year after the year in which the City of Des Moines first certifies to the county auditor the amount of any loans, advances, indebtedness or bonds which qualify for payment from the division of the revenue in connection with this urban renewal project.

V. PROCEDURE FOR AMENDMENTS TO THE URBAN RENEWAL PLAN

The City of Des Moines may amend this Plan from time to time in accordance with applicable state and local law. The amendments may include additional objectives, revised land use regulations, revised boundaries, and/or property to be acquired and disposed of for redevelopment.

The City Council may request public input from, but not limited to designated neighborhood group(s) and City appointed committees as appropriate upon any proposed amendment to this Plan.

Appendix A

Legal Description - Beavertdale Commercial Urban Renewal Area

Beginning at the Northwest corner of Lot 10, Philpott Acres, an Official Plat; thence North along the northerly extension of the West line of said Lot 10 to the North right-of-way line of Douglas Avenue, (as it now exist); thence easterly along the North right-of-way line of Douglas Avenue (as it now exists) and its easterly extension to the intersection of the northerly extension of the East line of Lot 4, Knapp Place, an Official Plat; thence South along the northerly extension of the East line of said Lot 4 to the Northeast corner of said Lot 4, and being the South right-of-way line of Douglas Avenue; thence South along the East line of said Lot 4 to the Southeast corner of said Lot 4; thence West along the South line of Lots 4, 3, 2 and 1 of said Knapp Place to the Southwest corner of said Lot 1 and being the Northwest corner of Lot 18, Knapp Place Plat 2, an Official Plat; thence South along the West line of said Lot 18 to the Southwest corner of said Lot 18 and being the North right-of-way line of Clinton Avenue; thence East along the North right-of-way line of Clinton Avenue to the intersection of the northerly extension of the East line of Lot 22, of said Knapp Place Plat 2, thence South along the northerly extension of the East line of said Lot 22 to the Northeast corner of said Lot 22 and being the South right-of-way line of Clinton Avenue; thence South along the East line of said Lot 22 to the Southeast corner of said Lot 22; thence East along the South line of Lots 23 and 24 of said Knapp Place Plat 2 to the Northwest corner of Lot 3, Amick Place, an Official Plat; thence South along the West line of said Lot 3 to the North line of Lot 2 of said Amick Place; thence East along the North line of said Lot 2 to the West line of the East 92.00 feet of the South 175.0 feet of said Lot 3; thence South along the West line of the East 92.0 feet of the South 175.0 feet of said Lot 3 to the North right-of-way line of Amick Avenue; thence South along its southerly extension of the West line of the East 92.0 feet of said Lot 3 to the South right-of-way line of Amick Avenue; thence West along the South right-of-way line of Amick Avenue to the East right-of-way line of Beaver Avenue and being the Northwest corner of Lot 43 of said Amick Place; thence southerly along the East right-of-way line of Beaver Avenue and its southerly extension to the Southwest corner of Lot 25, Ashby Manor, an Official Plat; thence East along the South line of said Ashby Manor to the Southwest corner of Lot C of said Ashby Manor; thence North along the West line of said Lot C to the Northwest corner of said Lot C and being on the South right-of-way line of Wallace Lane; thence northeasterly along the South right-of-way line of Wallace Lane to the Northeast corner of said Lot C; thence South along the East line of said Lot C to the Southeast corner of said Lot C; thence East along the South line of said Ashby Manor to the Northwest corner of Lot 11, Beaver Oaks, an Official Plat; thence South along the West line of said Beaver Oaks to the Southwest corner of Lot 1 of said Beaver Oaks, and being the North right-of-way line of Adams Avenue; thence East along the North right-of-way line of Adams Avenue to the intersection of the northerly extension of the West Line of Lot 3, Fagen Park, an Official Plat; thence South along the northerly extension of the West line of said Lot 3 to the South right-of-way line of Adams Avenue and the Northwest corner of said Lot 3; thence South along the West line of said Lot 3 to the South line of the North 133.35 feet of said Lot 3; thence East along the South line of the North 133.35 feet of Lots 3, 2, and the West 40.0 feet of the North 133.35 feet of Lot 1 of said Fagen Park; thence South along the East line of the West 40.0 feet of said Lot 1 to the South line of said Lot 1; thence southwesterly along the South line of said Lots 1 and 2 to the East line of the West 15.0 feet of Lot 11, of said Fagen Park; thence South along the East line of the West 15.0 feet of said Lot 11 to the North right-of-way line of Fagen Drive and along its southerly extension to the South right-of-way line of said Fagen Drive; thence easterly along the South right-of-way line of said Fagen Drive to the Northwest corner of Lot 13 of said Fagen Park; thence South along the West line of said Lot 13

to the Southwest corner of said Lot 13; thence East along the South line of said Lot 13 to the Northeast corner of Lot 9, Beaver Glen, an Official Plat; thence South along the East line of said Lot 9 to the Southeast corner of said Lot 9 and being the North right-of-way line of Urbandale Avenue; thence southeasterly along a line to the South right-of-way line of Urbandale Avenue to a point being on the West line of the East 65.0 feet of the West 72.0 feet of Lot 13 of said Beaver Glen; thence South along the West line of the East 65.0 feet of the West 72.0 feet of the said Lot 13 to the North line of the South 168.0 feet of said Lot 13; thence East along the North line of the South 168.0 feet of the East 65.0 feet of the West 72.0 feet of said Lot 13 to the East line of the West 72.0 feet of said Lot 13; thence South along the East line of the West 72.0 feet of said Lot 13 to the North right-of-way line of Sheridan Avenue; thence South along the southerly extension of the East line of the West 72.0 feet of said Lot 13 to the South right-of-way line of said Sheridan Avenue and being on the North line of Lot 1, Block 15, Broadmoore, an Official Plat; thence West along the South right-of-way line of Sheridan Avenue to the Northeast corner of Lot 1, Block 16, of said Broadmoore; thence South along the East line of Lot 1, 2 and 3 of said Block 16 to the Southeast corner of said Lot 3; thence West along the South line of said Lot 3 to the Southwest corner of said Lot 3 and the East right-of-way line of Beaver Avenue; thence westerly along a line to the West right-of-way line of Beaver Avenue and being the Northeast corner of Lot 19, Block A, Maryland Park, an Official Plat, and being the South right-of-way line of Beaver Crest Drive; thence West along the North line of said Lot 19 to the Northwest corner of said Lot 19; thence North along the northerly extension of the West line of said Lot 19 to the North right-of-way line of Beaver Crest Drive and being the Southwest corner of Lot 23, Block D of said Maryland Park; thence North along the West line of Lots 23, 22 and 21, of said Block D, of Maryland Park to the Northwest corner of said Lot 21, thence East along the North line of said Lot 21 to the Southwest corner of Lot 7, P. J. Clancy Plat 2, an Official Plat; thence North along the West line of Lots 7 thru 1 of said P. J. Clancy Plat 2 to the South right-of-way line of Sheridan Avenue and the Northwest corner of said Lot 1; thence North along the northerly extension of the West line of said Lot 1 to the North right-of-way line of Sheridan Avenue and being the Southwest corner of Lot 35, Grassmere, an Official Plat; thence North along the West line of Lots 35 thru 31 of said Grassmere to the Northwest corner of said Lot 31; thence West along the westerly extension of the North line of said Lot 31 to the Southeast corner of Lot 29 of said Grassmere; thence West along the South line of said Lot 29 to the Southwest corner of said Lot 29; thence North along the West line of said Lot 29 to the Northwest corner of said Lot 29 and the South right-of-way line of Urbandale Avenue; thence North along the northerly extension of the West line of said Lot 29 to the North right-of-way line of Urbandale Avenue; thence northwesterly along the North right-of-way line of Urbandale Avenue to the Southeast corner of Lot 15 of said Grassmere; thence North along the East line of Lots 15, of said Grassmere and its northerly extension to the North line of Lot 11, of said Grassmere; thence West along the North line of said Lot 11 to the Southwest corner of Lot 18 of said Grassmere; thence North along the West line of Lots 18 and 17 of said Grassmere to the Northwest corner of said Lot 17; thence East along the North line of said Lot 17 to the Northeast corner of said Lot 17 and being the West right-of-way line of Beaver Avenue; thence northerly along the West right-of-way line of Beaver Avenue and its northerly extension to the Northeast corner of Lot 1, Conkling Place, an Official Plat; thence West along the North line of Lots 1 thru 4 of said Conkling Place, to the Northwest corner of said Lot 4 and being on the East line of the East 67.0 feet of the West 421.0 feet of Lot 4 of the Corrected Plat of Roseland Acres, an Official Plat; thence North along the East line the East 67.0 feet of the West 421.0 feet of said Lot 4 to the North line of said Lot 4; thence West along the North line of said Lot 4 to the Northeast corner of the East 50.0 feet of the West 287.0 feet of said Lot 4; thence South 3.2 feet along the East line of the East 50.0 feet of the West 287.0 feet of said Lot 4; thence West along a line 3.2 feet South of and parallel with the North line

of said Lot 4 to the Southeast corner of Lot 12, Bosen Gardens, an Official Plat; thence North along the East line of said Lot 12 to the Northeast corner of said Lot 12 and the South right-of-way line of Amick Avenue; thence North along the northerly extension of the East line of said Lot 12 to the North right-of-way line of Amick Avenue and the Southeast corner of Lot 11, of said Bosen Gardens; thence North along the East line of said Lot 11 to the Northeast corner of said Lot 11 and on the South line of the North 185.0 feet of Lot 22 of said Philpott Acres; thence East along the South line of the North 185.0 feet of Lots 22 and 21 of said Philpott Acres to the Southwest corner of Lot 19 of said Philpott Acres; thence North along the West line of Lots 19 and 18 of said Philpott Acres to the Northwest corner of said Lot 18, and the South right-of-way line of Euclid Avenue; thence North along the northerly extension of the West line of said Lot 18 to the North right-of-way line of Euclid Avenue; thence West along the North right-of-way line of Euclid Avenue to the Southeast corner of Lot 7 of said Philpott Acres; thence North along the East line of said Lot 7 to the Northeast corner of the South 183.0 feet of said Lot 7; thence West along the North line of the South 183.0 feet of said Lot 7 to the West line of said Lot 7; thence North along the West line of said Lot 7 to the Northwest corner of said Lot 7 and being on the South line of Lot 3 of said Philpott Acres; thence West along the South line of said Lot 3 to the Southwest corner of said Lot 3 and being on the East Line of Lot 8 of said Philpott Acres; thence North along the East line of said Lot 8 to the South line of the North 250.0 feet of said Lot 8; thence West along the South line of the North 250.0 feet of Lots 8 and 9 of said Philpott Acres to the East line of Lot 10 of said Philpott Acres; thence South along the East line of said Lot 10 to the Southeast corner of said Lot 10; thence West along the South line of said Lot 10 to the Southwest corner of said Lot 10; thence North along the West line of said Lot 10 to the Northwest corner of said Lot 10 and the Point of Beginning. All now included in and forming a part of the City of Des Moines, Polk County, Iowa.

By James D. Wittkop November 8, 2007

Appendix B: Maps

Map No. 1: Location within the City of Des Moines

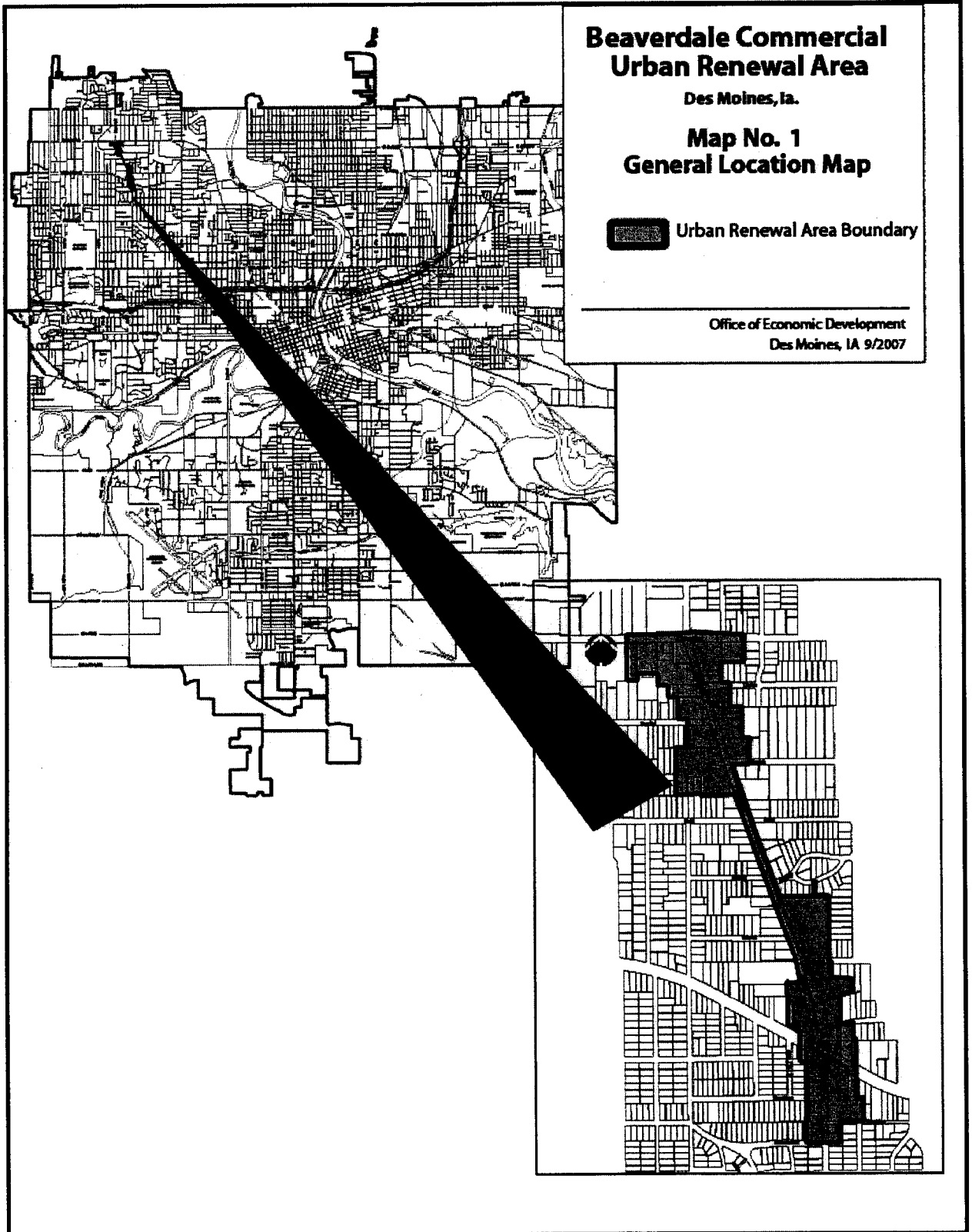
Map No. 2: Project Boundary

Map No. 3: 2020 Land Use Map

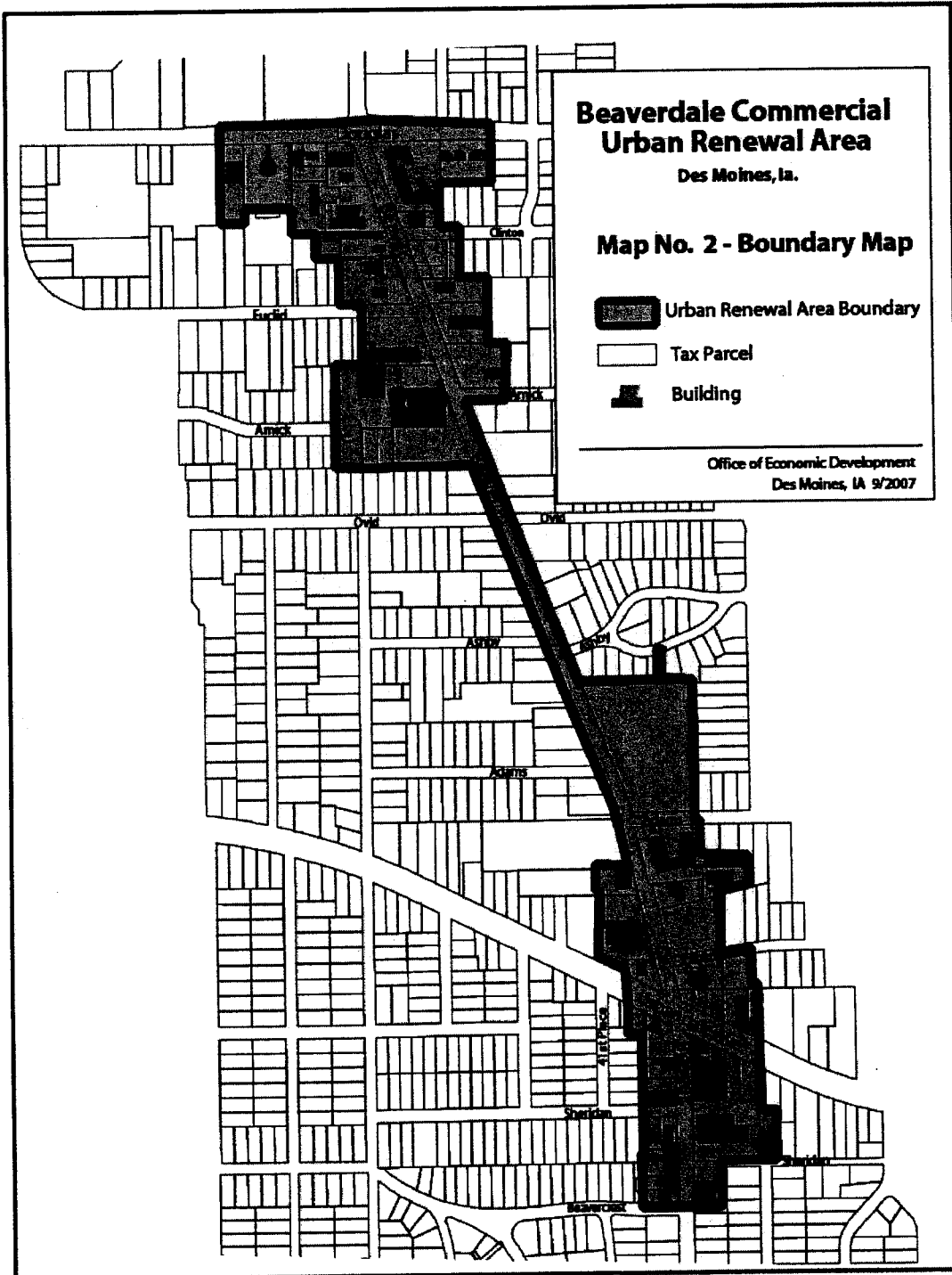
Map No. 4: Existing Zoning

Map No. 5: Development Activities

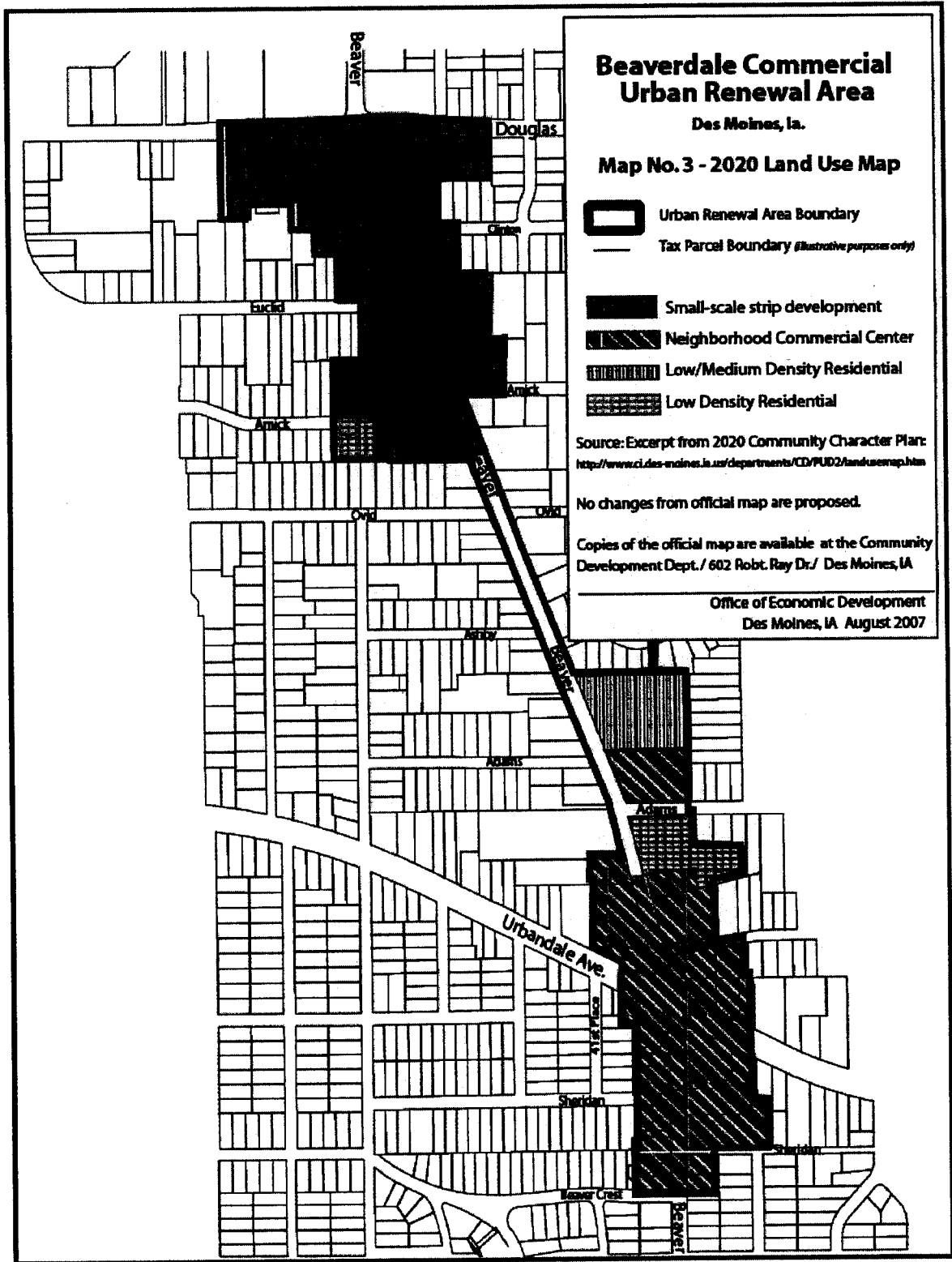
Map No. 1: Location within the City of Des Moines



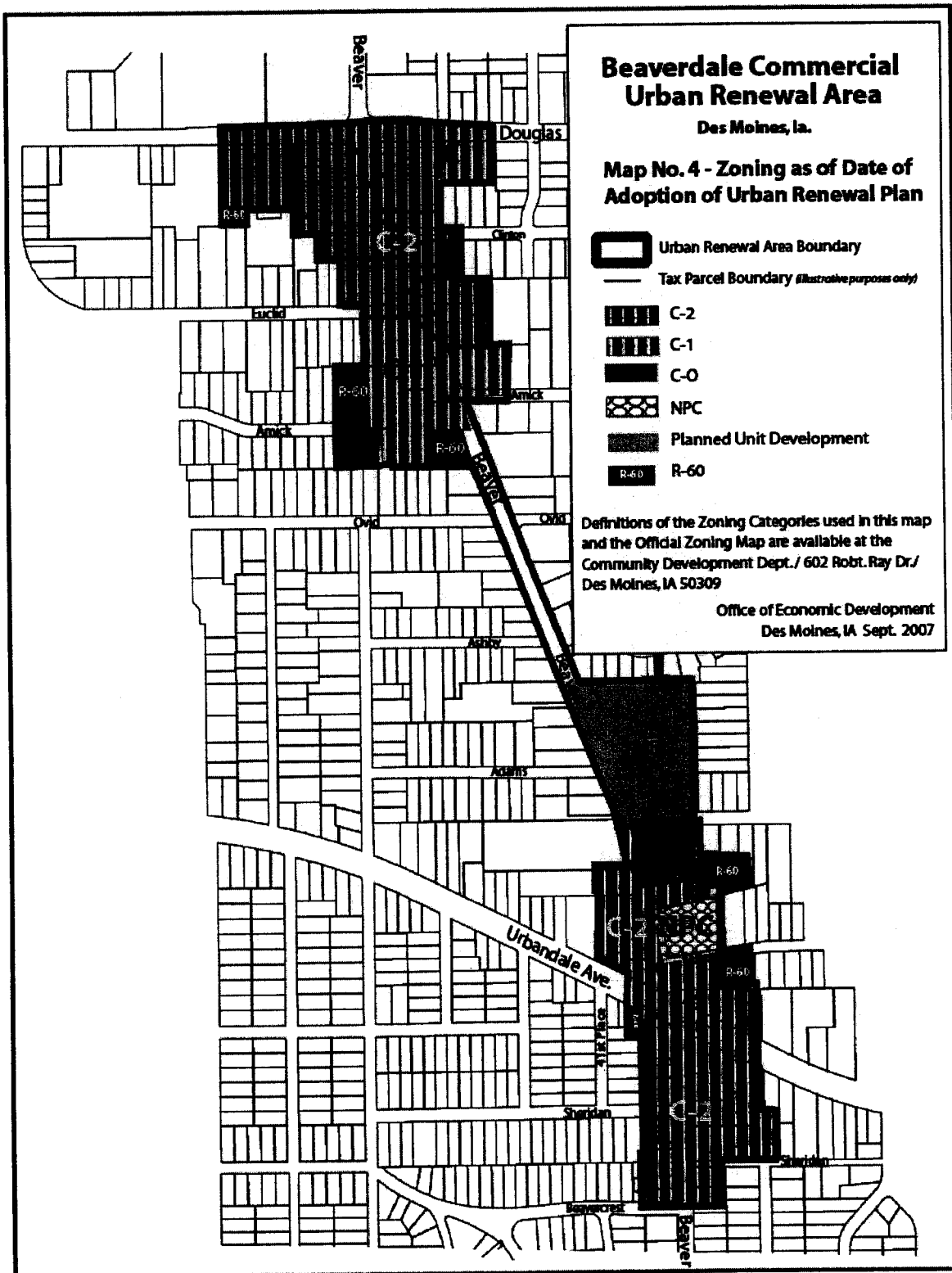
Map No. 2: Project Boundary



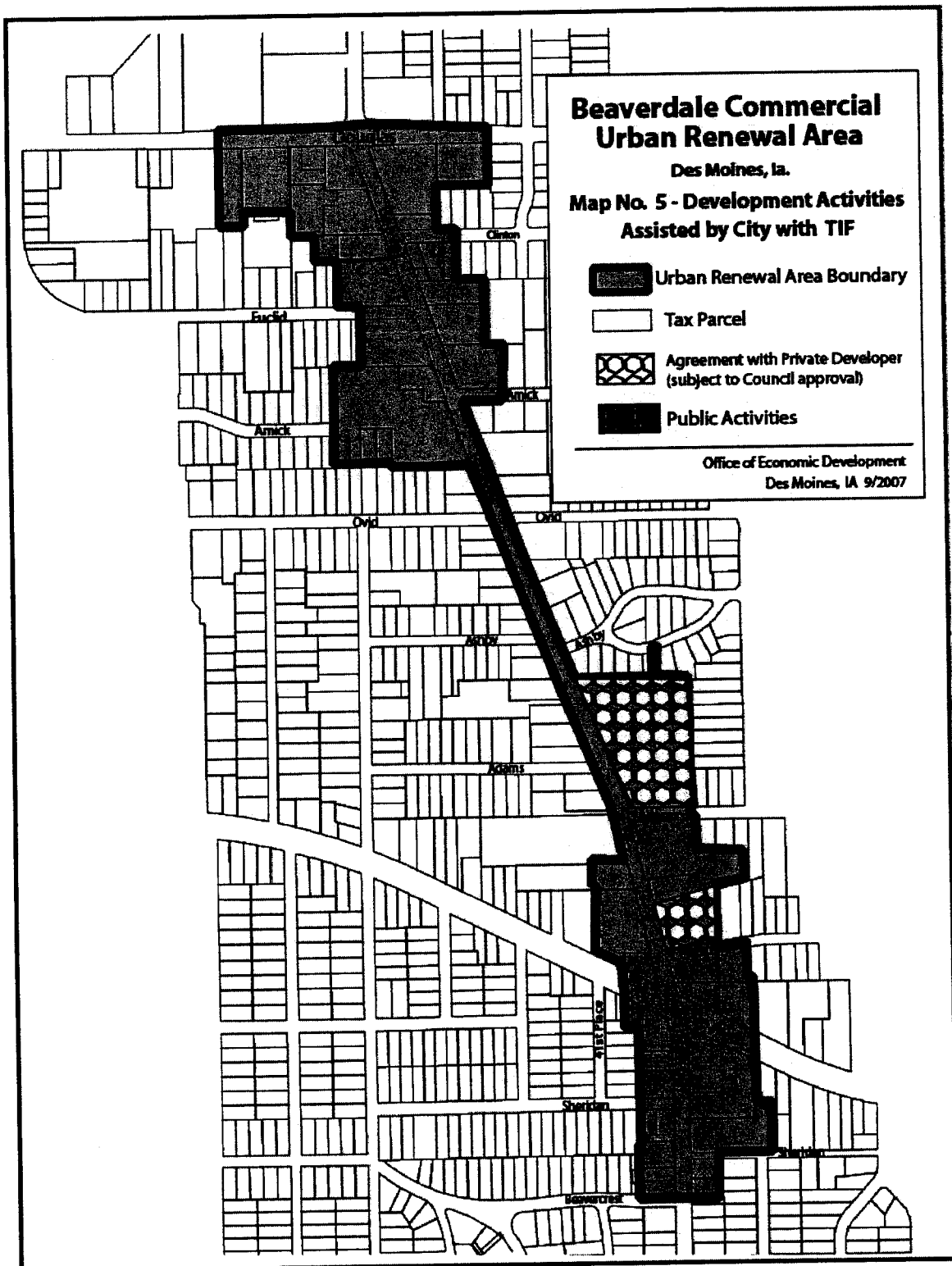
Map No. 3: 2020 Land Use Map



Map No. 4: Existing Zoning



Map No. 5: Development Activities Assisted with Tax Increment



**Appendix C - FINANCIAL CONDITION REPORT
BEAVERDALE COMMERCIAL AREA URBAN RENEWAL PROJECT**

C. Introduction

The Code of Iowa, Chapter 403-Urban Renewal, requires cities to undertake consultation with other governmental entities receiving property tax revenues from an urban renewal area that utilizes tax increment financing (TIF) when the urban renewal plan is created or amended.

This report has been prepared as part of the City of Des Moines Beaverdale Commercial Area Urban Renewal Plan.

General Background

Urban renewal was created by the federal government in the 1950s to assist cities in “renewing” their older downtown central areas by removing slum and blight. In many cases, the federal government provided significant financial assistance with the costs associated with acquisition, demolition and construction of new streets and utility lines. In 1959, Des Moines created the River Hills Urban Renewal Area, the first urban renewal area in Iowa. Since that date, additional urban renewal areas have been created in the downtown, neighborhood and industrial areas.

Urban renewal is one of the few ways an Iowa municipality can undertake and financially assist community revitalization and economic development. In Des Moines, especially in the older areas with very limited redevelopment opportunities, urban renewal is an important way to link the public and private sectors.

In Iowa, a city may designate an “urban renewal area” by following the requirements specified in Chapter 403, Code of Iowa which requires the area to contain one or more of the following conditions:

- Slum and/or Blighted conditions
- Economic Development area due to its appropriateness for commercial enterprises and for public improvements related to housing and residential development

The Beaverdale Commercial Area Urban Renewal Area has been found to meet the “appropriateness” conditions described in the State Code in that the City desires to further economic development by attracting new private development while retaining and expanding the tax base and employment opportunities.

An urban renewal area must be designated by the City Council. As part of the designation, the City Council adopts an urban renewal plan. The plan text includes a legal description and map of the area; a description of existing land uses and conditions; the actions the City proposes to undertake in the area such as public improvements (street paving, sidewalks, sewers, parks), public services, the purchase or sale of property and other conditions the City may want to impose on the development projects.

If the City wants to undertake an action not specified in the urban renewal plan, it must adopt the proposed change by an amendment. Before an amendment can be adopted by the City Council, a notice of a public hearing on the amendment must be published in the newspaper. In addition, if the urban renewal area uses tax increment financing (TIF), a consultation and comment period

with other taxing entities is offered prior to the public hearing. This document has been prepared in response to this consultation requirement.

D. Beaverdale Commercial Area Urban Renewal Project

The City is scheduled to adopt the Beaverdale Commercial Area Urban Renewal Plan in November 2007 and concurrently designate the urban renewal area as a tax increment finance district. The Beaverdale Commercial Area urban renewal project will provide public funds, through the use of tax increment financing and other available funds, to provide the funding to undertake the following activities in the urban renewal area:

- encourage economic development to leverage new private investment in this area;
- construct appropriate public infrastructure that is needed;
- construct or aid in construction of public improvements that will serve as public amenities that will improve and enhance the appearance and functioning of the Beaverdale neighborhood; and
- other projects as authorized by the City Council.

E. Tax Increment Financing

Tax increment financing is *only* available in designated urban renewal areas. A tax increment is basically the property tax revenue generated by the cumulative general ad valorem tax levy on the *difference* between the taxable value of all property in the TIF district at the base valuation date and the taxable value of the properties in any subsequent year. The base valuation date is January 1 of the calendar year immediately proceeding the calendar year that the City first certifies an indebtedness to be paid by the tax increment revenue.

The City can use the tax revenue created by the tax increment for financing the projects identified in the urban renewal plan such as the provision of new infrastructure improvements and economic development assistance. However, because this urban renewal area has been determined to be an economic development area under Chapter 403 and since the City may provide or aid in providing public improvements related to housing and residential development, the City must assure the project will include assistance for low and moderate income family housing.

The Code directs that for municipalities with a population over fifteen thousand, the assistance amount to be provided for low and moderate income family housing for such projects shall be equal to or greater than the percentage of the original project cost that is equal to the percentage of low and moderate income residents for the county in which the urban renewal area is located as determined by the United States Department of Housing and Urban Development using Section 8 housing guidelines; for Polk County, the percentage is 39.7%.²

The assistance to low and moderate income housing will be provided by the City in the form of annual financial assistance, but not limited to, any of the following forms:

- Lots for low and moderate income housing within or outside the urban renewal area.³
- Construction of low and moderate income housing within or outside the urban renewal area.

² Source: Department of Economic Development/State of Iowa

³ The assistance to low and moderate income family housing may be expended outside the boundaries of the urban renewal area. (403.22(4))

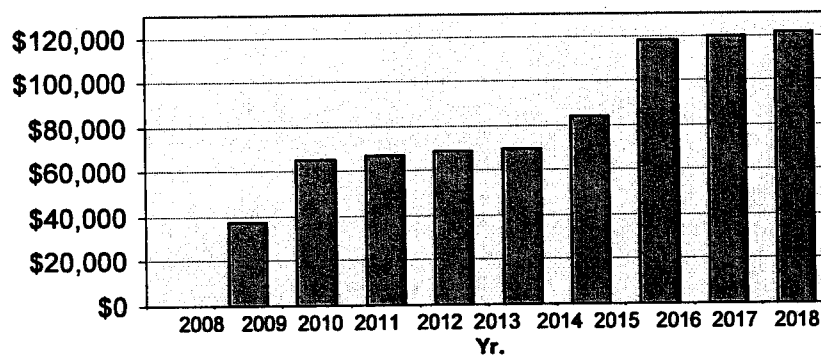
- Grants, credits or other direct assistance to low and moderate income families living within or outside the urban renewal area², but within the area of operation of the City.
- Payments to a low and moderate income housing fund established by the City to be expended for one or more of the above purposes, including matching funds for any state or federal moneys used for such purposes.

Funding for these activities will be provided by the City of Des Moines within its annual allocation of discretionary funding to the Neighborhood Development Corporation, Neighborhood Finance Corporation, Polk County Housing Trust and/or Community Development Block Grant.

The City is proposing to financially assist a mixed use development proposed for 3001 Beaver Avenue.

Based on estimates of costs and revenues for the development and the proposed TIF assistance that may be used for public improvements related to housing and residential development, the City will be responsible for the following funding for low/moderate income housing.

Annual Assistance for Low/Moderate Income Housing



The TIF designation for this urban renewal area is limited to tax collections for ten fiscal years beginning with the second fiscal year after the year in which the City first certifies to the county auditor the amount of any loans, advances, indebtedness, or bonds which qualify for payment from the division of the revenue in connection with the project. It is anticipated; for the Beavertdale Commercial Area Urban Renewal Area, a cash-available debt will be certified in 2007 with the collection of TIF revenues to being in the 2008 tax year with its revenues to be received by the City starting in late 2009.

If the City does not use the revenue for paying TIF obligations or for other eligible expenses incurred in the urban renewal area, the increment is released back to general revenues. On March 24, 1997, the City Council adopted a policy that the City may expend up to 75% of the annual aggregated tax increment revenues from all TIF areas generated after January 1, 1996. T; the unexpended tax increment revenues will be available for distribution to the various property taxing entities.

In accordance with State of Iowa requirements, this financial condition report will summarize any bonds issued to date, outstanding and contracted-for indebtedness and the retirement periods of these bonds for the Beavertdale Commercial Urban Renewal Area.

Current TIF Bonding and Outstanding Indebtedness

Overall, the City of Des Moines has about \$314.5 million in general obligation debt. Of this debt, approximately \$121 million is being serviced with tax increment revenues for specific urban renewal areas. T; the Beaverdale Commercial Area Urban Renewal Area does not have any bonded debt. , In addition, the outstanding total of tax increment notes and bonds is about \$5.5 million. The State of Iowa Constitutional debt-ceiling limit for general debt obligations by the City of Des Moines is about \$476.6 million.

The chart shown on the following page details the estimated property tax increment and expenditures based on the ten-year duration of this urban renewal plan.

Property Tax Assessments and Revenues

When the Beaverdale Commercial Area urban renewal area is created in 2007, it will also be designated as a Tax Increment Financing (TIF) district. At the time of designation, the property tax assessments will be “frozen” using a base valuation date of January 1, 2006. Any additional increase in the property tax assessment may be “captured” for use in the TIF district by the City.

The total “frozen” property tax assessment base, adjusted annually for the mandated State of Iowa equalization rollbacks, is about \$19.3 million for the entire urban renewal area. The total 2006 tax year property tax assessment value, adjusted for the rollback, is about \$19.3 million; no increment will be available for expenditure until late 2009.

F. Future Financial Condition

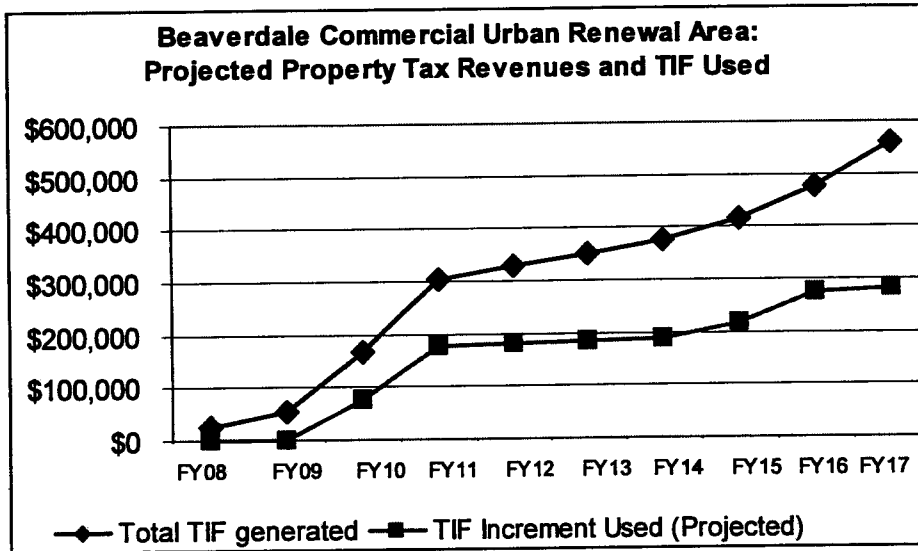
It is anticipated that property values will increase due to new redevelopment, economic assistance projects, beautification efforts on Beaver Avenue and the overall appreciation of real estate. The City will undertake future projects in cooperation with the private sector to enhance this area.

Shown below is a table that projects estimated property tax revenues for the next ten years, the duration of the urban renewal designation, from urban renewal area based on:

- a 2% annual growth rate in land and building assessments after real estate tax abatements and their expirations are taken into account.
- a \$40.00/\$1,000 levy rate (after the Code of Iowa “protected” certified debt service levy is subtracted).

<i>Tax Yr.</i>	<i>Total TIF Valuation</i>	<i>Increment (Current valuation - Frozen Base)</i>	<i>Total TIF generated</i>	<i>Projected TIF Increment Used</i>
2007 / 2008	\$20,022,240	\$658,360	\$26,335	\$1
2008 / 2009	\$20,709,210	\$1,345,330	\$53,814	\$1
2009 / 2010	\$24,691,932	\$5,328,052	\$167,316	\$75,016
2010 / 2011	\$26,932,011	\$7,568,131	\$304,079	\$175,847
2011 / 2012	\$27,470,651	\$8,106,771	\$327,460	\$179,768
2012 / 2013	\$28,020,064	\$8,656,184	\$351,309	\$183,768
2013 / 2014	\$28,580,465	\$9,216,585	\$375,636	\$187,847
2014 / 2015	\$29,959,575	\$10,595,695	\$416,748	\$215,265
2015 / 2016	\$32,492,176	\$13,128,296	\$477,250	\$275,657
2016 / 2017	\$33,142,020	\$13,778,140	\$558,654	\$281,574
2017 / 2018	\$33,804,860	\$14,440,980	\$636,605	\$287,610

The following chart illustrates this table graphically.



G. Plan Amendment

The Beaverdale Commercial Area Urban Renewal Plan creates an urban renewal area that is approximately 36 acres in size. The City of Des Moines plans to expend TIF for eligible economic development project(s) for the purposes of leveraging other public and private assistance in this area. Expenditures from the tax increment revenues will be funded on a cash-available basis. The expenditures shown on this chart reflect preliminary commitments the City Council has made for commercial and mixed use projects.

The City Council may, by subsequent amendment to the urban renewal plan, provide for additional funding for other undertakings not addressed in the urban renewal plan to carry out the objectives of the plan.

Future projects may be subject to the urban renewal amendment process. The City Council and other taxing entities must review each amendment as directed by the Code of Iowa, Chapter 403.

- Walqueens was purposely left vacant to Sharon
~~to avoid competition to the relocated Walque~~
 a few blocks away
- Misuse of TIF in ~~the~~ Jordan Creek has emptied our malls.

• Bart
 Switch
 by
 BB.C
 ONA
 NSI
 ✓
 Residual
 was
 not left
 out of
 the
 loop?
 We
 did

There are multiple areas in Des Moines that need public funds more than Beaverdale. Beaverdale has been named the "Best Neighborhood in the Metropolitan Area" by Business Record for the past 4 years. Beaverdale is a neighborhood that many residents strive to live in. The city can not justify spending its limited funds in Beaverdale when other areas in Des Moines are ~~more~~ in need. The Merle Hay area and Martin Luther King Road near Euclid both have needed public help for years. Merle Hay Road has suffered from haphazard growth and indiscriminate planning. ~~It is proper that the public help correct a problem that in many regards the city caused.~~ The area near Martin Luther King Road and Euclid is losing their only grocery store to Beaverdale. And other businesses are closing their doors. Which neighborhoods will be forsaken if public funding is given to Beaverdale? ~~There are many locations throughout Des Moines that would benefit from public funds.~~ In fact, Tom Vlassis, council representative for Beaverdale and Northwest Des Moines, stated that the Eastside is the area that needs to be focused on next after downtown. He restated this position at the Beaverdale quarterly meeting August 14, 2007, "When we get through with Downtown, we need to get more businesses on the Eastside." Highland Park and East 14th at Euclid are just two more examples in the northern portion of Des Moines that would benefit from public funds. The Southside also ~~contains~~ has areas needing public support.

Legally the city cannot TIF the entire city. Taxpayers across the city should revolt if taxpayers are required to publicly support development in Beaverdale. The "Best Neighborhood in the Metropolitan Area" should not be the first neighborhood to qualify for public money. It is a blatant misuse of public funds that are intended to encourage economic development in areas that can not attract businesses without public incentives.

~~As residents of Beaverdale, we hang our heads in shame, that our neighbors are so eager to be first in line.~~

As a resident of Beaverdale, I am ashamed of our community players who are so perverse well

From the Iowa Legislative Fiscal Bureau:

“In general, when a TIF is created, there are three primary outcomes:

- State appropriations for school aid increase.
- Local governments reduce spending in other areas.
- Taxes are shifted to other property owners.”

TIF - Direct Impact on the State General Fund

“Studies have shown that school districts that share their base with TIF districts experience slower local revenue growth than school districts without TIF districts. School districts must then apply higher property tax rates than they would have in the absence of TIF. And to make up funds lost to TIF, the state equalization formula must provide greater aid to those school districts with TIFs.”

“Taxable property value included within a TIF area is not included as part of the State’s School Aid Formula. This causes the **State’s portion of school financing to be \$5.40 per thousand of taxable value higher than it would be if the value was not part of a TIF.** With total statewide TIF increment taxable value at \$5.950 billion in FY 2006, the value of this State General Fund “backfill” is calculated at \$32.1 million.”

Taxpayers' money should not be used for development in Beaverdale. If development can not occur without public assistance, in the "Best Neighborhood in the Metropolitan Area", then that indicates it is not the right development for the location. Research has proven that often times public funding is not best for an area because that funding, rather than the marketplace and needs of the community, dictate the developments. There are too many issues from green space to traffic to understanding Beaverdale Master plan that have not been solved to justify spending taxpayers' money and passing this proposed Commercial Area Urban Renewal Plan.

There is a major problem with the public providing taxpayers' funding in Beaverdale. The intent of public money for economic development, including TIF funds, is to bring developers to an area but in Beaverdale certain developers and city leaders are bringing TIF to Beaverdale.

Public funding and the Beaverdale Commercial Area Urban Renewal Plan are not needed or appropriate for Beaverdale.

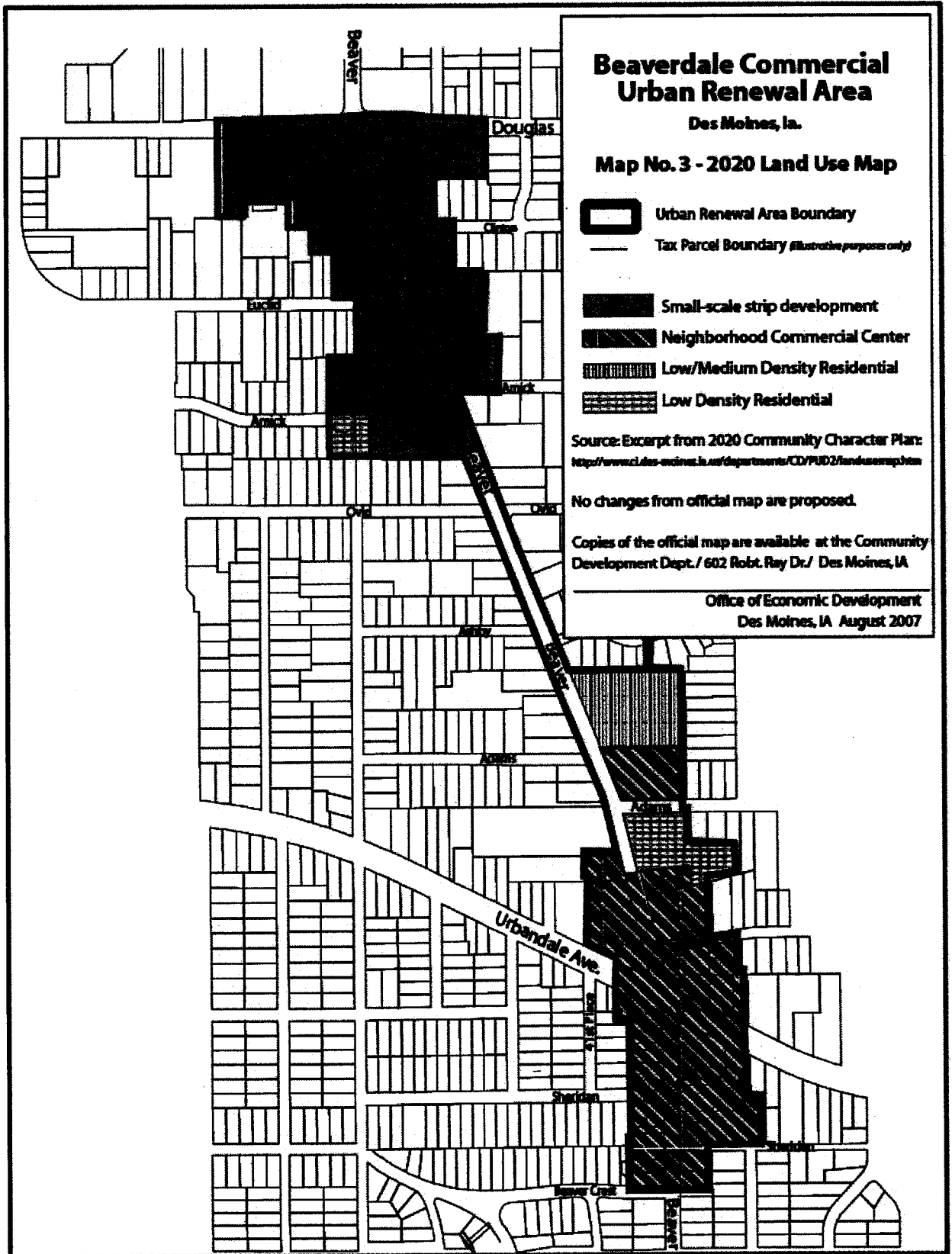
Cathy

PROBLEMS WITH TIF IN BEAVERDALE

- Property values continue to increase in Beaverdale. Taxing entities are denied the tax revenues generated within the district for 10 years. Since the value of the base amount is frozen, the amount that is allowed to be taxed is eroded by inflation. That gap will have to be filled with additional taxpayers' dollars.
- Urban renewal in Beaverdale will require taxing entities to furnish more services with less money. Needed street, sewer, and lighting repairs will be put on a back burner. Taxing entities, including the Des Moines Public School System, end up with growing budget deficits while the public's property tax bills increase.
- Areas less affluent than Beaverdale will be left to pick up the tax hole left by TIF in Beaverdale. Taxpayers citywide will be forced to pay more for city and county services.
- TIF does not work well with tax abatements. New housing in Beaverdale qualifies for tax abatement. Abatements can worsen a growing tax burden for the property owners in the TIF district.
- City leaders will not be able to obtain any true TIF benefits in Beaverdale. Currently in Beaverdale, property values are increasing and private developments have and are occurring without the need of taxpayers' funds. Thus, any private incentive to any developer in Beaverdale is just a give-away and misappropriation of taxpayers' money. By designating Beaverdale as a TIF district, city leaders are capturing and redistributing revenue away from the deserving taxing entity. This causes taxes to rise.
- The creation of a TIF district in Beaverdale will require taxing entities to give up part of their tax revenue to developers. Joe Guidicessi is to receive over a third of a million dollars of taxpayers' money to redevelop his property. Rice Development Partners, consisting of the Boesen Land Company, are to receive almost 2 million dollars of the tax revenue over a 10-year period from their development on Rice Field.
- Iowa requires any TIF project with residential units to subsidize low/moderate housing with a portion of the TIF funds. As an example, by law, the development on Rice Field must give 40% of the tax increment generated by the development to affordable housing. However, city leaders have decided **not** to give any funds generated from Rice Field project to fund affordable housing. They are merely going to credit money already earmarked for affordable housing as from this project. 100% of the funds are to go to the developers and the urban renewal district. The developers of Rice Field will pocket 72% of the tax funds generated. The remaining public funds will go for streetlights and other enhancements for Beaverdale. This development will generate no new additional funds to subsidize low/moderate housing for the poor.

- Small business owners in Beaverville may receive no benefit derived from TIF, even if TIF enhance the overall business climate. Typically, property taxes of businesses located in a TIF district increase but revenues do not.
- Small boutique shops in urban renewal districts do not generate the amount of revenue needed for a successful TIF district. In an area as small as Beaverville for TIF to be successful, large box stores would need to locate in the area which is contrary to the neighborhood and city plans for the area.
- TIF funds in Beaverville may cause the properties surrounding the district to decline in value.
- A problem with the Urban Renewal District in Beaverville is that the district was initiated by developers to support the construction of their specific projects.
- TIF in Beaverville is misappropriating taxpayers' funds and misapplying a state program. Taxpayers will fund multi-million dollar development projects in a thriving area of the city.
- Neighborhood leaders have expensive requests for TIF dollars in Beaverville. These requests exceed the expected TIF funds. Thus, no TIF funds from Beaverville will be returned to the city treasury.
- TIF uses public money. Public money is to be used for public purposes. Due to lack of accountability, the city may fail to fulfill the law in Beaverville by allowing public TIF money to provide for private benefit. Corporate welfare, public subsidies, tax breaks, and TIF transfer taxpayers' dollars to the Beaverville developers' bottom line and force taxpayers to pay more in property taxes or cause needed programs to be cut.
- TIF in Beaverville will increase state appropriation for school aid, increase property taxes, and force local government to reduce spending in other areas.

Map No. 3: 2020 Land Use Map



Map No. 4: Existing Zoning

