

★ **Roll Call Number**

Agenda Item Number

46

Date..... January 10, 2011

An Ordinance entitled, "AN ORDINANCE providing that general property taxes levied and collected each year on all property located within the Southside Economic Development District Urban Renewal Area in the City of Des Moines, County of Polk, State of Iowa, by and for the benefit of the State of Iowa, City of Des Moines, County of Polk, Des Moines Independent Community School District, Des Moines Area Community College, and other taxing districts, be paid to a special fund for payment of principal and interest on loans, monies advanced to and indebtedness, including bonds issued or to be issued, incurred by the City of Des Moines in connection with said Urban Renewal Project",

which was considered and voted upon for the first time under Roll Call No. 10- 2021 of December 6, 2010, and considered and voted upon for the second time under Roll Call No. 10- 2099 of December 20, 2010, again presented.

MOVED by _____ that this ordinance do now pass.

ORDINANCE NO. _____

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COUNCIL ACTION	YEAS	NAYS	PASS	ABSENT
COWNIE				
COLEMAN				
GRIESS				
HENSLEY				
MAHAFFEY				
MEYER				
MOORE				
TOTAL				
MOTION CARRIED			APPROVED	

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.

Mayor

City Clerk

10.2099 40/40

 <p style="text-align: center;">Council Communication Office of the City Manager</p>	Date:	December 6, 2010
	Agenda Item No.	38
	Roll Call No.	10-2018 10-2019 10-2020 10-2021
	Communication No.	10-730
	Submitted by:	Matt Anderson Economic Development Administrator

AGENDA HEADING:

Hearings on matters regarding the proposed Southside Economic Development District Urban Renewal Plan.

SYNOPSIS:

On the December 6 agenda are several roll calls relating to the creation of a new urban renewal and tax increment area for the Southside Economic Development District. The boundaries of this proposed urban renewal area are SW 9th Street, Army Post Road, SE 14th Street and County Line Road. A map of the proposed boundary is included in this communication.

The roll calls are:

1. Receive and file communication from the Plan and Zoning Commission finding the Urban Renewal Plan to be in conformance with the Des Moines 2020 Community Character Plan.
3. Resolution of Necessity finding the Southside Economic Development District Urban Renewal Area to be an economic development area appropriate for redevelopment for commercial use.
4. Resolution closing hearing on the proposed Southside Economic Development District Urban Renewal Plan and adopting same.
5. First reading of ordinance providing for the division of general property taxes levied and collected each year in the urban renewal area to allow for the use of tax increment financing.

FISCAL IMPACT:

The urban renewal plan and tax increment designation will extend for a period of twenty years following the initial TIF certification. The purpose of designating this area as an urban renewal area is to encourage new economic investment and business development. The concurrent TIF designation provides a funding source to assist public and private projects.

The urban renewal plan projections have been prepared using very conservative estimates of growth in valuation. The estimated net annual cash available to the City of Des Moines begins at about \$33,000 initially, and is anticipated to increase at a rate of 1.5% per year. Additional growth in this area would have the ability to increase this annual rate, which is based on the current valuation only.

ADDITIONAL INFORMATION:

City Council approved the creation of an urban renewal plan for the Southside Economic Development District in October 2009, with the goals of facilitating new private sector economic investment in the area, providing for the revitalization of a regional retail landscape, and providing for the enhancement of quality public amenities in Southeast Des Moines. Staff has proceeded with the creation of the urban renewal plan, meeting with city departments, area taxing entities and providing the plan for review to the Plan & Zoning Commission and Urban Design Review Board.

It is recommended that City Council approve the plan as presented to allow for the furtherance of the plan's goals and objectives.

PREVIOUS COUNCIL ACTION(S):

Date: November 8, 2010

Roll Call Number: 10-1839

Action: On proposed Urban Renewal Plan for the Southeast Economic Development District Urban Renewal Area, (12-6-10). (Council Communication No. 10-673) Moved by Hensley to adopt. Motion Carried 7-0.

Date: October 11, 2010

Roll Call Number: 10-1694

Action: Regarding proposed SE Economic Development District Urban Renewal Area and preparation of an urban renewal plan and creation of tax increment financing (TIF) district. (Council Communication No. 10-619) Moved by Meyer to receive and file, and to authorize the City Manager to prepare an urban renewal plan and related information and documents in general accordance with the Council Communication. Motion Carried 7-0.

BOARD/COMMISSION ACTION(S):

Board: Plan & Zoning Commission

Date: December 2, 2010

Resolution Number: N/A

Action: At a public hearing held on December 2, 2010, the members recommended by a vote of 12-0 to find the proposed Southside Economic Development District Urban Renewal Area Plan is in conformance with the Des Moines' 2020 Community Character Plan.

Board: Urban Design Review Board

Date: November 16, 2010

Resolution Number: N/A

Action: Motion to approve the Southside Economic Development District Urban Renewal Plan with comments forwarded to City Council.

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:

Second and third reading of the ordinance.

For more information on this and other agenda items, please call the City Clerk's Office at 515-283-4209 or visit the Clerk's Office on the second floor of City Hall, 400 Robert D. Ray Drive. Council agendas are available to the public at the City Clerk's Office on Thursday afternoon preceding Monday's Council meeting. Citizens can also request to receive meeting notices and agendas by email by calling the Clerk's Office or sending their request via email to cityclerk@dmgov.org.

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ORDINANCE NO. _____

AN ORDINANCE providing that general property taxes levied and collected each year on all property located within the Southside Economic Development District Urban Renewal Area in the City of Des Moines, County of Polk, State of Iowa, by and for the benefit of the State of Iowa, City of Des Moines, County of Polk, Des Moines Independent Community School District, Des Moines Area Community College, and other taxing districts, be paid to a special fund for payment of principal and interest on loans, monies advanced to and indebtedness, including bonds issued or to be issued, incurred by the City of Des Moines in connection with said Urban Renewal Project.

WHEREAS, the City Council of the City of Des Moines, Iowa, after public notice and hearing as prescribed by law and pursuant to Resolution passed and approved November ____, 2010, adopted an urban renewal plan titled "Southside Economic Development District Urban Renewal Plan" for an Urban Renewal Project within an Urban Renewal Area described as follows:

Beginning at a point at the intersection of the South line of Polk County, and the West right-of-way line of SW 9th Street; thence North along the West right-of-way line of SW 9th Street to its intersection with the North right-of-way line of Army Post Road; then east along the North right-of-way line of Army Post Road and continuing along the North right-of-way line of E. Army Post Road to its intersection with the East right-of-way line of SE 14th Street; thence South along the East right-of-way line of SE 14th Street to its intersection with the South line of Polk County; thence West along the South line of Polk County to its intersection with the West right-of-way line of SW 9th Street, being the Point of Beginning, all now include in the City of Des Moines, Polk County, Iowa.

WHEREAS, expenditures and indebtedness are anticipated to be incurred by the City of Des Moines, Iowa, in the future to finance said Urban Renewal Project; and

WHEREAS, the City Council of the City of Des Moines, Iowa, desires to provide for the division of revenue from taxation in the Urban Renewal Area as above described, in accordance with the provisions of Section 403.19 of the 2009 Code of Iowa, as amended.

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

Section 1. That the taxes levied on the taxable property in the Urban Renewal Area known as the Southside Economic Development District Urban Renewal Area, legally described in the preamble hereof, by and for the benefit of the State of Iowa, City of Des Moines, Iowa, County of Polk, Des Moines Independent Community School District, Des Moines Area Community College, and all other taxing districts from and after the effective date of this Ordinance shall be divided as hereinafter in this Ordinance provided.

Section 2. That portion of the taxes which would be produced by the rate at which the tax is levied each year by or for each of the taxing districts taxing property in said Urban Renewal Area upon the total sum of the assessed value of the taxable property in said Urban Renewal Area as shown on the assessment roll as of January 1 of the calendar year preceding the first calendar year in which the City of Des Moines certifies to the county auditor the amount of loans, advances, indebtedness, or bonds payable from the division of property tax revenue shall be allocated to and when collected be paid into the Fund into which all other property taxes are paid for the respective taxing district, as taxes by or for said taxing district.

Section 3. That portion of the taxes each year in excess of the base period taxes determined as provided in Section 2 of this Ordinance shall be allocated to and when collected be paid into a special tax increment fund hereby established, to pay the principal of and interest on loans, monies advanced to, indebtedness, whether funded, refunded, assumed or otherwise, including bonds issued under the authority of Sections 403.9 and 403.12 of the 2009 Code of Iowa, as amended, incurred by the City of Des Moines to finance or refinance in whole or in part the Southside Economic Development District Urban Renewal Project, except that taxes for the regular and voter-approved physical plant and equipment levy of a school district imposed pursuant to Iowa Code §298.2 and taxes for the payment of bonds and interest of each taxing district levying taxes on said Urban Renewal Area shall be collected against all taxable property within the Urban Renewal Area without any limitation as hereinabove provided.

Section 4. All taxes levied and collected upon the taxable property in said Southside Economic Development District Urban Renewal Area shall be paid into the funds of the taxing districts as taxes by or for said taxing districts in the same manner as all other property taxes unless or until the total assessed valuation of the taxable property in said Urban Renewal Area shall exceed the total assessed value of the taxable property in said Urban Renewal Area as of January 1 of the calendar year preceding the first calendar year in which the City of Des Moines certifies to the county auditor the amount of loans, advances, indebtedness, or bonds payable from the division of tax revenue pursuant to this Ordinance.

Section 5. At such time as the loans, advances, bonds and interest thereon and indebtedness of the City of Des Moines hereinabove in Section 3 referred to have been paid, all monies thereafter received from taxes upon the taxable property in the Urban Renewal Area known as the Southside Economic Development District Urban Renewal Area shall be paid into the funds for the respective taxing districts in the same manner as taxes on all other property.

Section 6. The provisions of this Ordinance are intended and shall be construed so as to fully implement the provisions of Section 403.19 of the 2009 Code of Iowa, as amended, with respect to the division of taxes from property within the Urban Renewal Area as described above. In the event that any provision of this Ordinance shall be determined to be contrary to law it shall not affect other provisions or application of this Ordinance which shall at all times be construed to fully invoke the provisions of Section 403.19 of the Code of Iowa with reference to said Urban Renewal Area and the territory therein.

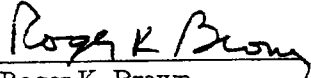
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page 3

ORDINANCE NO. _____

Section 7: This Ordinance shall be in effect after its final passage, approval and publication as provided by law.

FORM APPROVED:



Roger K. Brown

Assistant City Attorney

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December 3, 2010

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 December 2, 2010, the following action was taken:

COMMISSION RECOMMENDATION:

After public hearing, the members voted 12-0 as follows:

Commission Action:	Yes	Nays	Pass	Absent
Leisha Barcus				X
JoAnne Corigliano	X			
Shirley Daniels	X			
Jacqueline Easley	X			
Dann Flaherty	X			
John "Jack" Hilmes	X			
Joel Huston	X			
Ted Irvine	X			
Greg Jones	X			
Jim Martin	X			
Brian Millard	X			
William Page	X			
Mike Simonson	X			
Kent Sovern				X

APPROVAL of the proposed Southeast Economic Development District Urban Renewal Area Plan is in conformance with the Des Moines' 2020 Community Character Plan.

STAFF RECOMMENDATION TO THE P&Z COMMISSION

Staff recommends that the Commission find the Southeast Economic Development District Urban Renewal Plan in conformance with the Des Moines' 2020 Community Character Plan.

STAFF REPORT

I. GENERAL INFORMATION

Attached is a draft copy of the Southeast Economic Development District Urban Renewal Plan. Included in this document is a map ("Map 1") of the proposed urban renewal plan and tax increment finance district. The proposed boundaries are Army Post Road to the north, SE 14th Street to the east, County Line Road to the south and SW 9th Street to the west. No



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

amendments to the City’s Future Land Use Map or rezonings are proposed as part of the proposed plan.

Over the past few years the City has partnered with the South Des Moines community on a series of planning efforts consisting of the 2006 *Southside Revitalization Plan*, the 2009 *SuperBlock Master Plan* and the 2010 *Fort Des Moines Historic Preservation Plan*. These plans have provided a comprehensive examination of the existing conditions in Southeast Des Moines and identified the need for action and creativity to revamp area amenities and to attract new economic investment. The proposed urban renewal plan will assist in addressing the goals of these plans.

The urban renewal designation is based upon meeting the ‘economic development’ criteria of the state statute. The creation of this urban renewal area will allow use of tax increment for financial assistance to economic development projects and other projects such as infrastructure improvements. The revitalization of this district will result in new commercial opportunities, new employment, increased tax base and improved livability to residents of Southeast Des Moines. There is a sunset of 20 years on the collection of tax increment revenues from properties located in the proposed District.

II. DES MOINES’ 2020 COMMUNITY CHARACTER PLAN

Chapter 1 of Des Moines’ 2020 Community Character Plan is titled “Underlying Principals” and includes the following principles in support of the goal to create a livable community for several generations:

- Protect Natural Resources.
- Promote economic growth and efficiency.
- Enhance and preserve Des Moines’ urban character.
- Transportation facilities should support and guide the balanced growth concept for the metropolitan area.

Chapter 5 of Des Moines’ 2020 Community Character Plan is titled “Existing Character of Commercial Land Use” and includes the following principles:

Commercial Policies for Implementation

- Define policies, development standards and design guidelines to ensure pedestrian scale, appeal, and quality environment are balanced with auto safety and convenience.
- Establish marketing strategies for the various commercial categories to attract investors, businesses and customers to the area and to maintain healthy commercial areas.

No changes are proposed to the 2020 Community Character Future Land Use Map or the City Zoning Map at this time. The City is in the process of updating the SuperBlock Master Plan. Future revisions to the Urban Renewal Plan may be necessary.

Staff believes that the proposed Southeast Economic Development District Urban Renewal Plan would be in conformance with the Des Moines’ 2020 Community Character Plan.

SUMMARY OF DISCUSSION

Rita Conner, City of Des Moines Economic Development Department gave a brief summary.

Mike Ludwig clarified that Map 2 identifies existing uses that are on the ground today. Map 3 identifies the 2020 Character Plan Future Land Use Map designations.

Will Page asked what the white represents on the southeast part of Map 2.

Rita Conner stated that generally that would demonstrate vacant properties and does not have a current use.

Will Page asked that the legend on the map be amended to reflect such designations.

Dann Flaherty asked for clarification regarding the 20 year sunset and questioned whether it will take 20 years to get this off the ground.

Rita Conner stated that the 20 year time frame is a comfortable window for the plan to allow the market to get interested and things to get developed and valuation to grow.

Dann Flaherty asked how the residential area is going to be impacted by rezoning that area to PUD.

Rita Conner stated no zoning changes are proposed for the Somerset residential neighborhood. Staff is trying to figure out what area is possible for redevelopment and where they need to focus the attention.

Mike Ludwig noted that Map 3 is the 2020 Community Character Plan future land use map. The major development parcels in the plan is what can be done to help revive Southridge Mall. The 20 year time frame is important at this point especially since there are no specific or immediately pending projects in the area.

JoAnne Corigliano commented that the Southside Revitalization Partnership has worked five years or more on this. The area has so much potential that it is extremely important to catch it before it loses this potential. It could be made into a focal destination point for the south side.

CHAIRPERSON OPENED THE PUBLIC HEARING

There was no one in the audience to speak in opposition.

CHAIRPERSON CLOSED THE PUBLIC HEARING

Brian Millard commented there is a significant fiscal impact on the City when something like this comes up. The current value of the area \$74 million dollars, without the public property, they are projecting that in 20 years will be worth \$100 million dollars. He hopes it will be worth far more than that. Because it is not slum and blight, there is a 20 year sunset in which they could always reestablish another urban renewal district overlay on this once it goes out. The concern he has always had about TIF districts is the creation of disproportionate outcomes when tax revenue for overall City services is frozen but cost of City services continue to increase. As the cost of City services continue to rise, the tax

revenue from that district remains flat for those years, the rest of the City has to support any increase in services or services are cut or outsourced. One of the good things the City does with this is they decided by rule to replace the school tax portion. Urban Renewal Districts and TIF are good if used correctly but there are consequences, even when it's done right. He will support the motion.

COMMISSION ACTION

Greg Jones moved staff recommendation to find the Southeast Economic Development District Urban Renewal Plan in conformance with the Des Moines' 2020 Community Character Plan.

Motion passed 12-0.

Respectfully submitted,



Michael G. Ludwig, AICP
Planning Administrator

MGL:clw

cc: File

10-2099

**SOUTHSIDE ECONOMIC DEVELOPMENT
DISTRICT
URBAN RENEWAL PLAN**

City of Des Moines, Iowa

This Urban Renewal Plan provides for the development of the Southside Economic Development District Urban Renewal Area

Prepared by the Office of Economic Development
October 2010

Urban Design Review Board Action	<u>November 16, 2010</u>
Plan & Zoning Commission Action	<u>December 2, 2010</u>
Taxing Entities Consultation Meeting	<u>November 17, 2010</u>
City Council Action	<u>December 6, 2010</u>

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Map 1. Southside Economic Development District Boundary Map

Map 2. Existing Land Use

Map 3. Future Land Use

Map 4. Existing Zoning

A. INTRODUCTION

1. Description of the Southside Economic Development District Urban Renewal Area

The Southside Economic Development District Urban Renewal Area (the "District") contains approximately 913 acres, and is generally located between SW 9th Street, Army Post Road, County Line Road and SE 14th Street. The boundaries of the district are shown on Map #1, *Southside Economic Development District*, and are described in Attachment A.

2. Purpose of the Plan

This Urban Renewal Plan (the "Plan") is intended to guide the redevelopment of and stimulate private economic investment activities within the District through the 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.

The District is located at the southeast entrance to the City of Des Moines, at the junction of Army Post Road and SE 14th Street. SE 14th Street is one of the City's primary transportation corridors, carrying over 30,000 vehicles per day. The prominent location provides opportunities for high visibility, making it an optimum area for commercial businesses. The location has helped the area serve as a regional retail and recreation center for decades, but increased regional retail competition and aging of buildings and amenities have contributed to decreased occupancies, lower valuation and difficulty attracting new tenants and patrons. Encouraging new private development in the area, and providing strategic use of public economic development tools is anticipated to create new investment, providing resources to assist with needed revitalization. The City of Des Moines believes that the designation of the District as an urban renewal area and the adoption and implementation of this Plan has the potential to strengthen and revitalize the local economy through:

- A. Providing for planned and unified development of quality commercial, office and retail businesses, and the physical and economic enhancement of the District.
- B. Creation of a safe and attractive physical environment through the construction and installation of necessary infrastructure and other public improvements or actions supportive of the District.
- C. Retention and creation of quality permanent employment opportunities for residents.
- D. Expansion of the property tax base of the District, and subsequently contributing to the economic betterment of the entire City of Des Moines.
- E. Creation of financial incentives as necessary to encourage new and existing businesses to invest and expand in the District

3.) Authority to Adopt and Implement An Urban Renewal Plan

The State of Iowa has provided Iowa cities with the power to adopt and implement urban renewal plans through Chapter 403, Urban Renewal Law, Code of Iowa. If a slum, blighted or economic development area or combination of the three, as defined in Section 403.17, Code of Iowa, exists within the municipality; the municipality may designate such an area for urban renewal through the process provided for in Chapter 403.

In accordance with the Iowa Code requirements, it is determined that the Southside Economic Development District Urban Renewal Area qualifies as an economic development area due to its appropriateness for development of commercial, office and retail business enterprises.

B. BACKGROUND INFORMATION

1. General Information

The District is located in southeast Des Moines, an area that contains a variety of elements, including a regional shopping mall, numerous retail and commercial businesses, recreational and cultural features such as the Blank Park Zoo, which functions as the only AZA accredited zoo in the State of Iowa, the National Historic Landmark Fort Des Moines Museum, Parade Grounds and buildings; which date back to 1903, Fort Des Moines County Park, Blank Park Golf Course, and an elementary school and middle school facility owned by the Des Moines Public School District. For decades, these businesses and features have provided services and benefit for the City of Des Moines, the Greater Des Moines Region and the State of Iowa. The southeast Des Moines area has served as a regional retail center, containing over 2 million total square feet of retail space.

As the Greater Des Moines area has grown and changed in recent decades, new retail centers in suburban communities have diminished the retail pull factor for southeast Des Moines. This has resulted in a significant increase in vacancies, decrease in property valuation and difficulty in attracting new investment and tenants for Southeast Des Moines, particularly in Southridge Mall. The recreational and cultural features in the District have historically attracted visitors who subsequently patronized area businesses. Over time, these features must be maintained and in some cases upgraded and physically modified, to remain viable and able to attract the audience that will function as a secondary market for area businesses. To achieve this type of continued synergy, additional investment is required from the private sector, and the strategic leveraging of public resources to facilitate the best possible outcome is necessary.

The Plan is anticipated to provide an ability to acknowledge and work with the variety of conditions, existing uses and opportunities in the area, providing a unity of purpose to reinvigorate an area that has the ability to become a thriving and cohesive district. The

anticipated result is the ability to generate additional taxable valuation, employment opportunities, quality amenities and civic pride.

2.) Current Land Use

The District includes highway commercial, regional commercial/retail, multifamily residential, single family, agricultural and public-semi public uses, and park-open space uses. These uses are detailed in Map #2, *Southside Economic Development District Existing Land Use*.

3.) Proposed Land Use

The proposed land use plan for the District are detailed in the Des Moines 2020 Community Character Plan and shown in Map #3, *Southside Economic Development District 2020 Land Use*. The proposed land uses include highway commercial, regional retail/commercial, public-semi public, medium and single family residential uses, and parkland/open space.

4.) Existing and Planned Zoning.

Map #4 shows the existing zoning of the land within the District. Changes to the zoning in the District are anticipated during the course of the Plan timeframe, as the SuperBlock Master Plan is updated to include the 2010 Fort Des Moines Preservation Plan. It is anticipated that over time as redevelopment occurs all the land within the District now zoned to an "R" residential district will be rezoned to a "PUD" Planned Unit Development District or a Limited "C-1" Neighborhood Commercial Retail or Limited "C-2" General retail and Highway Oriented Commercial District .

5.) Appropriateness for Economic Development

The District's location along major transportation corridors such as Army Post Road and SE 14th Street provide high visibility and traffic counts that are conducive to economic development activity. The area's function as a regional retail center, the significant amount of existing square footage dedicated to commercial business uses, as well as the unique cultural and recreational features that are located here, make this area a destination site and warrants strategic use of public and private resources to facilitate new investment.

C. URBAN RENEWAL PLAN ELEMENTS

1. Goals and Objectives

The primary goal for the Southside Economic Development District Urban Renewal Plan is to facilitate the development of the District, setting objectives that will provide an ability for the District to benefit from previous investments in public infrastructure and transportation systems, increase the tax base and provide employment opportunities. Objectives for the Plan include:

- A. Encourage and facilitate high quality commercial, office and retail development within the District, utilizing the regulations and guidelines provided for in the current 2020 Community Character Plan, and subsequent updates, that guide comprehensive growth and development for the City of Des Moines, the SuperBlock Master Plan, and Fort Des Moines Historic Preservation Plan and subsequent updates of these plans
- B. Coordination of resources to attract new quality economic development investment
- C. Promote key public infrastructure projects in coordination with the private sector through individual development agreements, coordinate with Polk County, Polk County Conservation Commission, the Des Moines Area MPO, Blank Park Zoo Foundation, Blank Park Golf Course, Des Moines Public School District, Des Moines Area Wastewater Reclamation Authority, Des Moines Area Community College, Des Moines Water Works and the Iowa Department of Transportation. These projects may include but are not limited to parkland infrastructure, construction and extension of recreational trails and related appurtenances, preservation, and revitalization of buildings and structures within the Fort Des Moines Historic area, utility, street infrastructure and stormwater management improvements, improvements to Blank Park Zoo, and other publicly owned properties within the Plan boundary, as well as corridor beautification and improved signage at key nodes along Army Post Road and SE 14th Street.
- D. Promote and coordinate additional land use and transportation system studies as warranted to ensure the ability to attract quality development and the ability to accommodate and manage traffic circulation.
- E. Encourage the use of low impact development and on-site stormwater management best practices in the District, and coordinate the proactive evaluation and assessment of natural resources. Encourage the exploration and further study of elements that will promote the District as a model of sustainable management of land, air, water and energy resources.
- F. Encourage the incorporation of long term sustainability into site development and building construction, particularly the efficient use of energy in lighting, heating, ventilation and cooling system design.

2. Public Purpose Activities to be Undertaken

To meet the objectives of this Plan, the City of Des Moines will support development and redevelopment of the District through, among other things, the following public purpose activities:

- A. Provision of technical support in furtherance of the Plan, which may include activities such as updates to current plans that address development and redevelopment in the area, including the current SuperBlock Master Plan and proposed updates to this plan that will further enhance, protect, and revitalize the Blank Park Zoo, Fort Des Moines Historic District and Parade Grounds, Fort Des Moines County Park, Blank Park Golf Course, facilities and grounds owned by the City of Des Moines and Polk County Conservation, as well as privately owned commercial and retail businesses and properties.
- B. Evaluation of property's potential for development and redevelopment purposes, including but not limited to activities such as appraisals and architectural, engineering, planning and environmental studies;
- C. Acquisition and disposition of property for public improvements and other public uses, including the expansion and improvement of Blank Park Zoo and Blank Park Golf Course and other property transfers contemplated in the SuperBlock Master Plan and for other private development and redevelopment ;
- D. Demolition and clearance of deteriorated, obsolete and blighted structures and other improvements;
- E. Preparation of building sites for development and redevelopment purposes through activities that include but are not limited to grading, filling and landscaping;
- F. Improvement, installation, construction and reconstruction of streets, utilities and other public improvements and rights-of-way; including parkland and trail development done to benefit the properties within District, all of which may be conducted by the City of Des Moines, Polk County, Polk County Conservation or other public or private entities in furtherance of the enhancement of the District, through Council approved development agreements, 28 E agreements, and other cooperative agreements as may be executed from time to time.
- G. Enforcement of applicable local, state and federal laws, codes and regulations; and
- H. Use of tax increment financing, loans, grants and other appropriate financial tools in support of eligible public and private development and redevelopment efforts.
- I. Provision of financial assistance (including economic development grants) to Blank Park Zoo Foundation in respect of ongoing operations and programs at Blank Park Zoo, under terms of Council approved

development agreements, 28 E agreements, or other cooperative agreements as may be executed from time to time.

All public purpose activities shall be conditioned upon and shall meet the restrictions and limitations placed upon the District by the Plan. This Plan anticipates updates and amendments to the current SuperBlock Master Plan, the Fort Des Moines Historic Preservation Plan, the City of Des Moines Zoning Ordinance, and the 2020 Community Character Plan will occur in the interest of protection and enhancement of the District, and the promotion of high quality development and redevelopment for the District.

3. Land and Development Requirements

The physical development of the District will be regulated through the standards and guidelines contained within the City of Des Moines 2020 Community Character Plan, the City of Des Moines' Zoning Ordinance and Site Plan Regulations, and other applicable local, state and federal codes and ordinances as they may be amended from time to time. The following factors will be considered in the review of the design of any projects undertaken under the authority of this Plan:

- Scale, proportion, color, articulation, massing, patterning, setbacks and exterior materials. Permanence and quality of materials and site design, as well as details that add character and define depth are desired.
- How the project promotes an attractive and appealing physical environment
- Encourage the incorporation of long term sustainability into site development and building construction, particularly the efficient use of materials and energy in heating, ventilation and cooling system design.
- Encourage the use of low impact development and on-site stormwater management best practices in the District, and coordinate the evaluation and assessment of natural resources proactively.
- Work in conjunction with Community Development Department, Parks Department, Plan & Zoning Commission, Park & Rec Commission, City Council and other public and private entities to conduct revitalization, redevelopment and new development activities through the Planned Unit Development Zoning process.
- The "PUD" Planned Unit Development District is the preferred development zoning in the District, affording the greatest flexibility in design, and opportunity for public review of the proposed development for conformance with the objectives and requirements of this Plan.

4. Financial Condition Report

The urban renewal area will be concurrently designated as a tax increment district. A financial condition report is included as Attachment B. Property tax revenues anticipated to result from creation of the district would be available to service any indebtedness incurred in financing actions pursuant to this Plan

D. URBAN RENEWAL PLAN IMPLEMENTATION

The City of Des Moines will take necessary action to achieve the goals and objectives of the Southside Economic Development District Urban Renewal Plan. This will include involvement in the following activities:

1. Continued Planning Efforts

The City shall continue to evaluate the needs of the area, identifying issues and coordinating a response to these issues. A comprehensive approach will be taken to gathering input from landowners, prospective businesses and development interests. The SuperBlock Master Plan and 2020 Community Character Plan will be amended and updated to reflect existing and proposed land uses within the District, as well as provide additional regulations and standards to achieve the highest level of quality possible in all development activities undertaken in the District.

2. Technical Assistance

The City may provide technical assistance to landowners and prospective developers where appropriate. The City will work to coordinate efforts related to development proposals, ongoing planning, coordination with other agencies and levels of government, and other activities that will assist with meeting the objectives of the Plan.

3. Funding and Financing: Economic Development Assistance

The City will pursue funding sources required to meet the objectives of the Plan. Sources may include, but are not limited to, loans, grants, general fund expenditures, tax abatement, tax increment financing, special assessments, bond issuance, and participation in state/federal programs.

More specifically, the use of tax increment financing and the review steps and requirements for submittal of financial information for proposed economic development assistance are specified as follows:

Tax Increment Financing. The City believes that the use of tax increment revenues to finance new development or redevelopment in the District is necessary in the public interest to achieve the objectives of this Plan. Without the use of this special financing tool, new investment may not otherwise occur or may occur within another jurisdiction. A significant number of acres within the plan area are either publically owned or tax exempt properties, and do not generate adequate resources on their own to provide for the necessary enhancements to grounds, buildings and facilities. New private development and commercial redevelopment must take place to create new taxable valuation for the area to reach its full potential as a regional retail and recreation destination area. If new development does not take place in Des Moines, property values

could stagnate and the City, County and School District may receive less taxes during the duration of this Plan than they would have if this Plan is implemented.

Tax increment financing will be used where it will be anticipated to provide a long-term payback in overall increased tax base for the City, County and School District. The initial public investment required to generate new private investment is anticipated to ultimately increase the taxable value of the District beyond its existing base value.

Tax increment reimbursement may be sought for, among other things, the following costs to the extent they are incurred by the City:

- a. Planning and administration of the Plan;
- b. Construction of public infrastructure improvements and facilities within the District;
- c. Acquisition, installation, and replacement of public investments throughout the District;
- d. The development or redevelopment of buildings or facilities within the District to be sold or leased to qualifying entities;
- e. Loans or grants to qualified industries and businesses, including debt service payments on any bonds issued to finance such loans or grants, for purposes of expanding the business or activity, or other qualifying loan programs established in support of the Plan; and
- f. Providing the matching share for a variety of local, state and federal grants and loans.
- g. Providing for the operation and improvement of the Blank Park Zoo.
- h. The financing of the "public purpose activities" described in Section C(2), Urban Renewal Plan Elements-Public Purpose Activities to be Undertaken at pages 6-7.

4. Public Improvements

The Plan will promote the extension of public utilities and development of new infrastructure (including but not limited to sanitary sewer, water, stormwater management systems, construction and rehabilitation of streets, green infrastructure and park amenities, provision for pedestrian access and connection to sidewalks and recreation trails, land sales and cooperative land transfer agreements, and corridor beautification, including landscape and hardscape elements) in the Plan area, and work with landowners and developers to ensure safe, standardized construction of improvements in furtherance of the Plan objectives.

5. Responsibility of Developers

Developers shall work with the City to coordinate the realization of the Plan intent, following applicable guidelines, regulations and objectives, including the preference for Planned Unit Development zoning. This may include limiting tax abatement to the 3 year 100% schedule for exemption from taxes on the value added by the improvements. It is recognized that when tax abatement is in place, it will reduce the amount of tax increment created by the district. Therefore in certain cases it may be necessary for developers to forego tax abatement with City approval to make a project work. This would include cases where a developer may upfront the cost of public improvements or site development, and there is a negotiated agreement with the City to provide financial assistance to the developer over time from the tax increment created by the improvements to the property. The City reserves the ability to negotiate what will be in the best interest of the community and the furtherance of the Plan, while working with developers to facilitate new projects.

6. Activities Under Chapter 15 A

The City may as part of its action to carry out this Plan engage in economic development activities within the Southside Economic Development District Urban Renewal Area pursuant to Iowa Code Chapter 15 A for the creation of new jobs and income, and for the retention of existing jobs and income that would otherwise be lost, when such economic development activities are found by the City Council to further the objectives of the Plan. The City may solicit and or package such economic development activity proposals in the form of direct financial assistance through grants or loans.

E. DURATION OF APPROVED URBAN RENEWAL PLAN

This Plan shall continue in effect until terminated by the City Council; provided, however, that the collection of tax increment revenues from properties located in the District shall be limited to twenty (20) years from the fiscal year following the fiscal 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 tax increment revenue provided for in Iowa Code Chapter 403 (tax increment financing.)

F. SEVERABILITY

In the event one or more provisions contained in this Plan shall be held for any reason to be invalid, illegal, unauthorized or unenforceable in any respect, such invalidity, illegality, unauthorized or unenforceability shall not affect any other provision of this Plan and this Urban Renewal Plan shall be construed and implemented as if such provision had never been contained herein.

G. AMENDMENT OF APPROVED URBAN RENEWAL PLAN

This Plan may be amended from time to time to respond to development opportunities. Any such amendment shall conform to the requirements of Iowa Code Chapter 403. Any change effecting any property or contractual right can be effectuated only in accordance with applicable state and local law.

H. ATTACHMENTS

Attachment A - Legal Description for Area
Attachment B – Financial Condition Report
Map 1 - Plan Boundary
Map 2 – Existing Land Use Map
Map 3 – Future Land Use
Map 4 - Existing Zoning

Attachment A**SOUTHSIDE ECONOMIC DEVELOPMENT DISTRICT LEGAL
DESCRIPTION**

Beginning at a point at the intersection of the South line of Polk County, and the West right-of-way line of SW 9th Street; thence North along the West right-of-way line of SW 9th Street to its intersection with the North right-of-way line of Army Post Road; then east along the North right-of-way line of Army Post Road and continuing along the North right-of-way line of E. Army Post Road to its intersection with the East right-of-way line of SE 14th Street; thence South along the East right-of-way line of SE 14th Street to its intersection with the South line of Polk County; thence West along the South line of Polk County to its intersection with the West right-of-way line of SW 9th Street, being the Point of Beginning, all now include in the City of Des Moines, Polk County, Iowa.

Attachment B

FINANCIAL CONDITION REPORT

Urban Renewal History

Urban renewal was created by the federal government in the 1950's to assist cities in renewing their older central districts by providing for the removal of slum and blight conditions. It proved to be a vital tool for redeveloping areas of cities where private sector interest had not responded, and where intervention was needed to appropriately plan and facilitate investment in new housing, businesses, and public infrastructure. Public and private partnerships have been achieved through the use of urban renewal, resulting in substantial increases in taxable valuation, employment, services and amenities that would have otherwise not occurred. With the evolution of cities in the last 50 years, urban renewal has been a tool to help local government respond to the need to broaden economic reinvestment in all sectors.

A tax increment finance district, necessary for utilizing the tax increment in the District, will be created for the Southside Economic Development District Urban Renewal Area to facilitate the objectives of the Plan.

Tax Increment Financing

Tax increment financing (TIF) is an economic development tool available only 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 municipality first certifies an indebtedness to be paid by the tax increment revenue.

The municipality may use the tax revenue created by the tax increment for financing the objectives and projects identified in the urban renewal plan, such as land acquisition and the provision of new infrastructure improvements.

Utilization of TIF is most effective in areas where development and creation of new tax increment will occur after the designation of the district. TIF can only be used for activities or items in the urban renewal plan. For example, a municipality may issue bonds to up-front the costs of constructing needed infrastructure. The tax increment from the district could then be used to pay off the bonds. This can also be accomplished through a development agreement where a private entity provides the infrastructure and receives financial assistance for their overall project from the City funded by the incremental tax revenues created by their investment. If the revenues are not utilized for any of these eligible costs, the increment is returned to general revenues of the several taxing entities.

This financial condition report will summarize the anticipated growth in revenues from, and expenditures anticipated for the Southeast Economic Development District Urban Renewal Area.

Indebtedness and Bonding

The current general obligation debt for the City of Des Moines is \$357,000,000. The State of Iowa Constitutional debt ceiling limit for general debt obligations by the City of Des Moines is approximately \$552,000,000.

No bonds have been issued for this area to date, and none are currently anticipated. At this time, work has focused on assessing the condition of features and infrastructure in the area, and coordinating conversations with business owners and developers. The preferred methodology will be to have the private sector up-front the costs of their development, and negotiate financial assistance to be paid by the City from the future incremental tax revenue created when additional taxable value is added to the District. The future revenues of the district have been projected conservatively, using existing valuation. Individual projects will be evaluated based on costs of extending improvements, anticipated new increment to be added, and the amount and timeframe of the expected increment to be realized.

Property Tax Assessments and Revenue

The City anticipates taking the necessary action to designate January 1, 2010 as the base valuation date for the Southeast Economic Development District Urban Renewal Area. Any increase in the property tax assessment over the existing assessment on the base valuation date may be captured for use in the Southeast Economic Development District by the City.

The total Southside Economic Development District property tax assessment for the area is approximately \$74 million as of January 1, 2010. The base value will be formally determined by the Polk County Assessor's Office after the first certification of indebtedness for the District.

All taxes levied by the other taxing jurisdictions on the tax assessment base will continue to be distributed to them in the ordinary course. A portion of the future taxes upon any increased valuation created within the District may be drawn upon by the City to fund urban renewal activities under this Plan. If the adoption and implementation of this Plan serves its intended purpose of accelerating the rate of development and redevelopment in the area, the loss of a portion of that growth in the tax base will be largely offset by an increase in the rate of the growth. Therefore, it is expected that the creation of the Southside Economic Development District Urban Renewal Area should have no material detrimental impact on the provision of services by each of the affected taxing entities.

Future Financial Condition

It is anticipated that the property values will increase in this urban renewal area, primarily due to the anticipated economic development activity. The City will undertake future projects in cooperation with the private sector to enhance this area, which may

include public infrastructure and development financial assistance as warranted and negotiated through the City Manager and the Office of Economic Development. It is anticipated that all development agreements will be reviewed and approved by the City Council. The terms of such agreements will be constructed to maximize the ability to successfully implement the objectives of the Plan, provide for quality building construction and site development, the construction of public improvements necessary for the development of commercial and light industrial uses and the creation of jobs. Performance standards and objectives will be incorporated into all agreements that must be satisfied before any use of public revenues. All use of tax increment financing will be subject to annual cash flow from the district.

Property valuations and revenues for the next twenty years have been estimated for a 20 year time frame, the length of this Plan. The estimates are based on the following assumptions:

- 1.5% annual growth rate in the area's land and building assessments after any current tax abatements are taken into account.
- A \$38/1000 levy rate, after the protected certified debt service levy is subtracted from the overall tax rate.
- Follow Council policy adopted 3-24-97 that allows the City to expend up to 75% of the annual aggregated tax increment revenues from all TIF areas generated after January 1, 1996.
- The base value of the area is based upon the January 1, 2010, valuations, assuming that the City will certify debt for FY2012-2013
- The District boundary includes a substantial amount of publically owned and non taxable land; new valuation added to taxable areas would alter the projected TIF revenues, which have been conservatively estimated using the current base valuation.

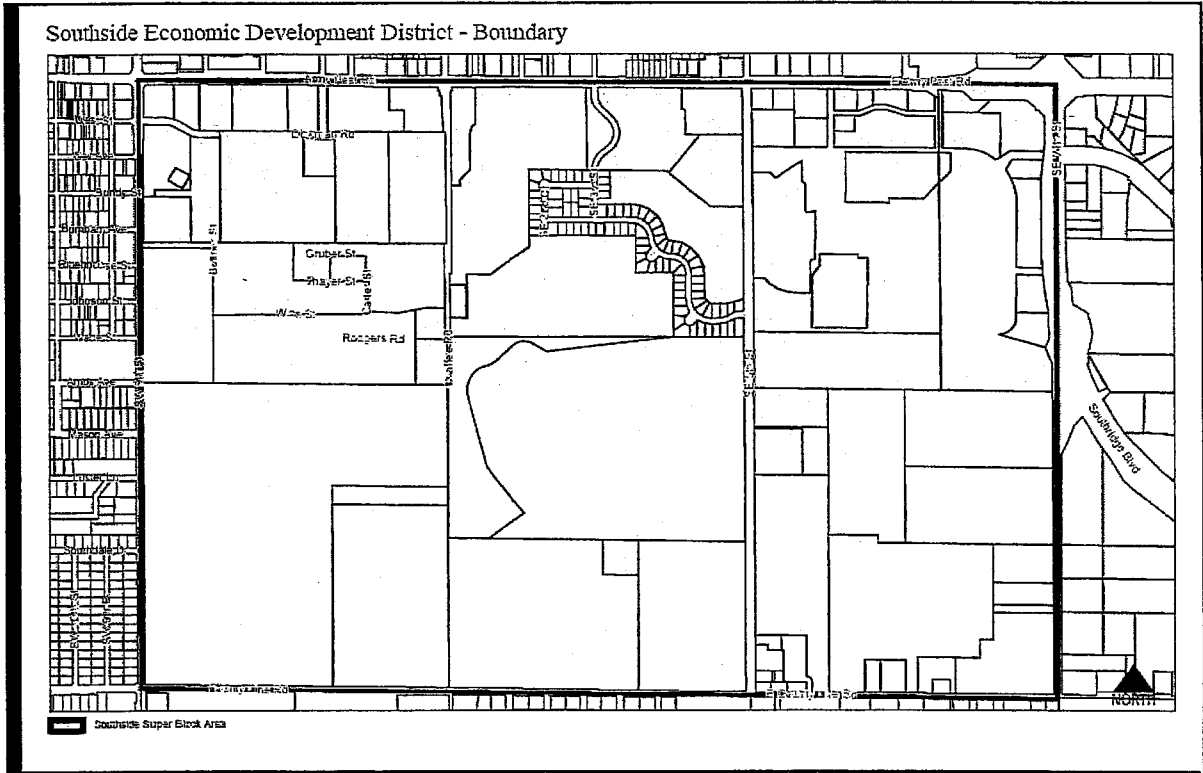
Below is a table that projects the growth in estimated property valuation, the available tax increment revenues and estimated tax increment usage from the Southeast Economic Development District based upon these assumptions. The actual expenditure of tax increment for undertakings pursuant to this Plan may occur at an earlier or later date than is shown in this table, subject economic conditions and the rate new development occurs in the District.

Projected TIF Revenues for Southside Economic Development District

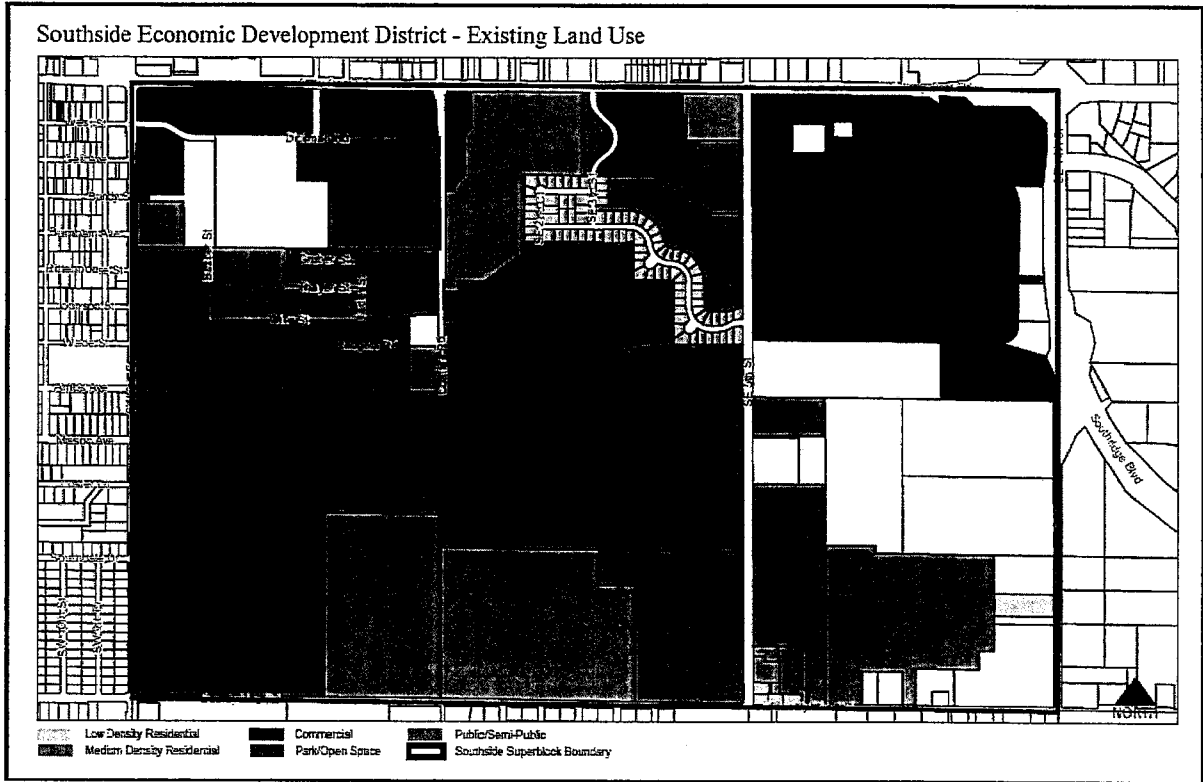
Fiscal Year	Total Tax Valuation (74,811,137 base)	Accumulated Increment Added	Projected TIF Revenues	Projected TIF Usage
2011-2012	74,811,137	n/a	n/a	n/a
2012-2013	75,933,304	1,122,167	43,607	32,705
2013-2014	77,072,304	2,261,167	87,869	65,902
2014-2015	78,228,388	3,417,251	132,794	99,596
2015-2016	79,401,814	4,590,677	178,394	133,795

2016-2017	80,592,841	5,781,704	224,677	168,508
2017-2018	81,801,734	6,990,597	271,655	203,741
2018-2019	83,028,760	8,217,623	319,337	239,503
2019-2020	84,274,191	9,463,054	367,734	275,801
2021-2022	85,538,304	10,727,167	416,858	312,643
2022-2023	86,821,379	12,010,242	466,718	350,039
2023-2024	88,123,699	13,312,562	517,326	387,995
2024-2025	89,445,555	14,634,418	568,694	426,520
2025-2026	90,787,238	15,976,101	620,831	465,623
2027-2028	92,149,047	17,337,910	673,751	505,313
2028-2029	93,531,282	18,720,145	727,465	545,599
2029-2030	94,934,252	20,123,115	781,984	586,488
2030-2031	96,358,265	21,547,128	837,321	627,991
2031-2032	97,803,639	22,992,502	893,489	670,117
2032-2033	99,270,694	24,459,557	950,498	712,874
2033-2034	100,759,754	25,948,617	1,000,836	756,273

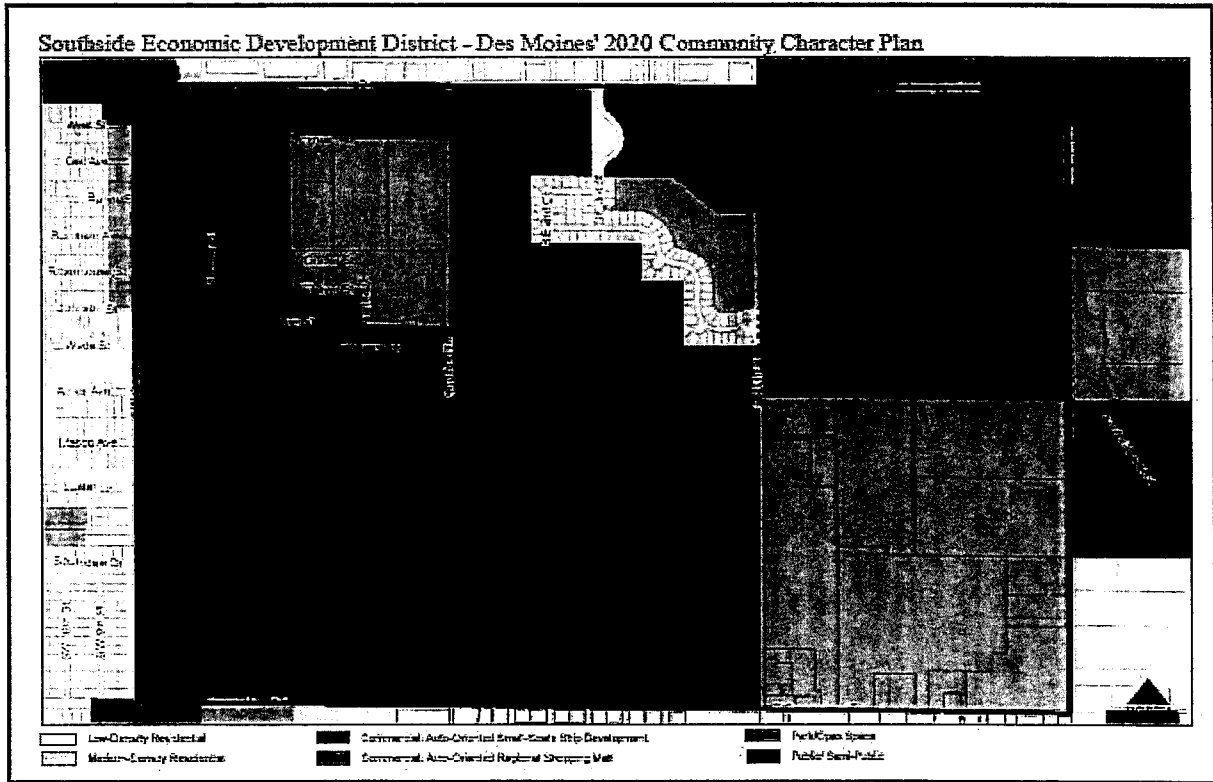
Map 1



Map 2



Map 3



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Map 4

