7	R	oll Ca	all Nu	mber

Agenda	Item	Number
	40	1c

Date November 21, 2011

Resolution Closing Public Hearing on the Proposed Fourth Amendment to the SE AgriBusiness Urban Renewal Plan and Approving Same

WHEREAS, on January 26, 1998, by Roll Call No. 98-275, the City Council adopted the Urban Renewal Plan for the SE AgriBusiness Urban Renewal Project, and such Plan has been amended three times (the urban renewal plan as amended is hereinafter referred to as the "Plan"); and,

WHEREAS, the SE AgriBusiness Urban Renewal Project Area encompasses an irregularly shaped area generally located between S.E. 14th Street and the eastern City boundary, and between Dean Avenue and the Des Moines River; and,

WHEREAS, on October 10, 2011, by Roll Call No. 10-1708, the City Council resolved that a public hearing on the proposed Fourth Amendment be held on November 21, 2011, at 5:00 p.m., in the City Council Chambers; and,

WHEREAS, on October 24, 2011, by Roll Call No. 11-1797, the City Council approved revisions to the proposed Fourth Amendment as summarized below for submittal to the Urban Design Review Board and the City Plan and Zoning Commission; and,

WHEREAS, the purpose of the proposed revised Fourth Amendment to the Plan, attached hereto as Exhibit "A", is to: (a) expand the Project Area to include approximately 220 acres bounded by S.E. 14th, E. Market, S.E. 18th and Maury Streets; (b) update and restate the Plan language and maps to clarify Plan objectives on the location and construction of public improvements, including the acquisition, construction and equipping of a Municipal Services Center as a specified public improvement Project proposal; (c) provide for additional uses and specified public improvements to be financed with tax increment revenues; (d) update and restate the Plan language on appropriateness of new planned salvage yard operations; (e) designate additional disposition parcels; and (f) update the Financial Condition Report to reflect contemplated expenditures for Project Proposals and economic development financial assistance; and,

WHEREAS, the Urban Design Review Board reviewed the proposed amendment at its regular meeting on November 1, 2011, and has submitted its report and recommendation to the City Council; and,



Agenda	Item	Number
	49	C

Date November 21, 2011

WHEREAS, the City Plan and Zoning Commission reviewed the proposed amendment at its regular meeting on November 3, 2011, and has submitted its report and recommendation under separate resolution and roll call; and,

WHEREAS, notice of this public hearing in the form attached hereto as Exhibit "B" was published in the Des Moines Register on November 7, 2011, which notice sets forth the information required by Section 403.5(3) of the Iowa Code; and,

WHEREAS, a copy of the Fourth Amendment and notice was given by ordinary mail to the Des Moines Public School District, Des Moines Area Community College, and Polk County of a consultation meeting in the Kofu Conference Room, at City Hall, at 1:30 p.m. on October 19, 2011; and,

WHEREAS, the City has received no requests from the Des Moines Public School District, Des Moines Area Community College, or Polk County for any modification of the proposed division of revenue from the tax increment of the Urban Renewal Project Area; and,

WHEREAS, the public hearing has now been opened and all persons and organizations desiring to be heard regarding the proposed Fourth Amendment to the Plan have been given the opportunity to be heard; NOW THEREFORE,

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

- 1. The public hearing on the proposed Fourth Amendment to the Urban Renewal Plan for the SE AgriBusiness Urban Renewal Project is hereby closed.
- 2. Upon consideration of the recommendations of the City Plan and Zoning Commission and Urban Design Review Board and all other recommendations and statements from all other interested parties and organizations, the City Council finds that the Fourth Amendment conforms to the Des Moines 2020 Community Character Land Use Plan, as amended, for the development of the City as a whole.
- 3. The Urban Renewal Plan for the SE AgriBusiness Urban Renewal Project is hereby amended as set forth in the Fourth Amendment attached hereto as Exhibit "A". The Urban Renewal Plan for the SE AgriBusiness Urban Renewal Project, as amended by the Fourth Amendment thereto, is hereafter in full force and effect.

Date November 21, 2011

4. The City Clerk is directed to cause the Fourth Amendment including the attached restated Plan and a certified copy of this resolution to be recorded in the land records of the Polk County Recorder.

(Council Communication No. 11-720

FORM APPROVED:

Moved by _____ to adopt.

Lawrence R. McDowell Deputy City Attorney Exhibits:

A – Fourth Amendment

B - Notice

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

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.

Marian		City Clerk
Mayor	-	city citik

After Recording Return To:
City of Des Moines
Office of Economic Development
400 Robt. Ray Drive
Des Moines, Iowa 50309

Prepared by: Andrea Hauer, Office of Economic Development – City of Des Moines 400 Robert Ray Dr. Des Moines, Iowa 50309 515-237-1350

Fourth Amendment to the Urban Renewal Plan

for the

SE AgriBusiness Urban Renewal Area

Urban Development Board Action:	/11
Plan and Zoning Commission Action	/11
Taxing Entities Consultation:	10/19/11
City Council Approval:	/11

HISTORY

The Urban Renewal Plan for the SE AgriBusiness Urban Renewal Project was adopted on January 26, 1998 by Roll Call No. 98-275. The SE AgriBusiness Urban Renewal Plan and its subsequent amendments have been recorded in the land records of the Polk County Recorder as follows:

Amendment	Roll Call No.	Adopted Date	Recorded Book	Beginning at Page
Urban Renewal Plan	98-275	1/26/98	7817	399
First Amendment	99-756	3/15/99	8167	460
Second Amendment	02-1589	6/17/02	9200	260
Third Amendment	08-1882	10/27/08	12281	340

PURPOSE

The primary purposes of the Fourth Amendment to the Urban Renewal Plan for the SE AgriBusiness Urban Renewal Project is to:

- Add an area to the urban renewal area of about 120 acres bounded by E. Market St. on the north, E. 18th St. on the east, Scott Ave. on the south and E. 14th St. on the west.
- Update all maps to include the newly-added area which shall be the location of the new Municipal Services Center and the Southeast Connector Roadway. Further revise property acquisition, property disposition, zoning, proposed land use and public improvement maps for actions relating to the Municipal Services Center and to reflect changes to these maps since the urban renewal plan was last amended in 2008 by the Third Amendment. The acquisition map designates various private properties for potential future purchase by the City for Municipal Services Center expansion. The public improvements map shows the locations of a future Municipal Services Center and the Southeast Connector Roadway project route.
- Amend Project Proposals to provide for the acquisition, construction and equipping of a City of Des Moines Municipal Services Center which will serve multiple purposes for the various departments including the Park and Recreation, Public Works and Engineering Departments and to update and restate language relating to Project Proposals;
- Update the Financial Condition Report to update anticipated use of tax increment funds in the future for property acquisition for various public and private development projects, construction of a municipal services park and related activities.
- Replace the current plan and amendments with a restated plan document that incorporates all changes and revisions up to and including the Fourth Amendment.

More specifically, changes to the urban renewal plan are:

- A. Text revisions throughout to reflect the newly-added area, its size, and location.
- **B.** Replacement of the following maps with these maps as attached to this amendment. Each map notes it is amended as a revision and shows the date of the revision as "10-11."

Мар	Revision and Additions
Map No. 1 – Urban Renewal Area Boundary	Amend urban renewal boundary to include property located in an area bounded by E. Market St. on the north, E. 18 th St. on the east, Scott Ave. on the south and E. 14 th St. on the west to the urban renewal area
Map No. 2 – City- Recognized Neighbohoods	Revised to reflect the new urban renewal area boundary
Map No. 3 – Existing Zoning	Revised to reflect the new urban renewal area boundary and current zoning as of the date of this amendment.
Map No. 4- Proposed Future Land Uses	Revised to reflect the new urban renewal area boundary and the current approved Comprehensive Plan Map.
Map No. 5- Area of Focused Redevelopment Activity	Revised to reflect the new urban renewal area boundary
Map 6-Acquisition Map	Revised to reflect the new urban renewal area boundary and potential acquisition of property by the City of Des Moines located generally north of Maury Street between SE 15 th and SE 18 th Streets.
Map No. 7- Disposition Map	Revised to reflect the new urban renewal area boundary and add Disposition Parcel Nos. 2-5 (between SE 34 th and SE 38 th St. on north side of Vandalia Road).
Map No. 8: Public Facilities & Improvements	Revised to reflect the new urban renewal area boundary and to amend map to plan to identify public projects that may utilize tax increment funds; 1. Municipal Services Park Center: a multi-phased project located on the north side of Maury Street approximately between SE 14 th Street eastward to SE 18 th Street, bounded by the proposed Southeast Connector Roadway project on the north. 2. Southeast Connector Roadway Project: a multi-lane divided roadway extending from the portion of M L King Jr. Parkway at SE 14 th Street to SE 43 rd Street in Des Moines where it will continue eastward into Pleasant Hill and connect to U.S. Highway 65.

Text Item	Found in Plan at:
Addition of background information with updates [text to be added as last paragraph to "Infrastructure" heading]	Chapter II. Background (variou paragraphs)
• Southeast Connector Roadway Project: This project received final design approval for its location and configuration in 2010; the roadway is located in a more northerly location than initially planned earlier in the decade. Acquisition for the first phase of the new multi-lane, major arterial roadway connecting the Martin Luther King, Jr. Parkway terminus at SE 14th Street to the Vandalia Road/US 65 Bypass interchange began in 2011. The Southeast Connector, which will cost an estimated \$125 million, will provide the City a safe, efficient and direct route from downtown to the US 65 Bypass and help spur economic development along the corridor.	
[text to be added after final paragraph]	
The City purchased a 166 acre tract of vacant land located on the south side of Vandalia Road extending from about SE 36th St. to SE 43rd St. in 2000 and then obtained funding to provide high capacity water and wasterwater capacity to the site. In 2006, the City entered into a redevelopment agreement with Vision Fuels for the construction of an ethanol refinery operation on a 160 acre parcel located on the south side Vandalia Road. The project did not proceed and in 2009, the agreement was terminated. As of 2011, this property continues to be leased on annual basis for farming operations.	
Salvage Yard Operations: The area has historically been the location for many automotive salvage operations ranging in size from a single lot to many acres. In the past 10 years, the City has acquired about 50 acres of property located on the north side of Vandalia Road located between SE 33 rd to SE 38 th Streets which were primarily older, inefficient smaller salvage yard operations. With these acquisitions, many of the most visible blighted properties with significant numbers of city code violations are no longer in operation within the Agrimergent Park boundaries.	
In 2011, the City Council authorized acquisition of a major salvage yard headquartered at 1610 Scott Street. This large operation of over 30 acres which is quite visible from the western boundary of this urban renewal area from the SE 14 th St. viaduct, will be, in part, used for a portion of the Southeast Connector Roadway project with the remaining portion of the site as the location for the first phase of the new Municipal Services Center.	

New planned salvage yard operations that incorporate modern best practices that include consolidation of operations, more efficient use of land, better quality landscaping and screening and furthers the objectives of this urban renewal plan may be an appropriate land use for the area.	
Municipal Services Park Master Plan: In 2011, the City Council approved the Municipal Services Park Master Plan which provides recommendations, guidelines and plans for the future development of various facilities and space needs to house and deliver various City services in an efficient and effective manner. The location of the first phase facilities was selected in 2011 with construction anticipated to start in 2012; the initial facility is anticipated to cost over \$18 million.	
[new language italicized]	
Amend the following statement to provide for installation of public infrastructure and construction of public buildings.	Chapter III. Plan Objectives (introductory
The objectives listed below will assist in implementing these principles through making land ready for public improvements and redevelopment by private entities by acquisition, clearance, environmental remediation, installation of public infrastructure improvements, construction of public buildings and implementation of appropriate public incentives to attract private investment.	paragraphs)
[new language italicized]	
Add the following relating to salvage yards. 5. Discourage the development and/or expansion of existing salvage yards that are a blighting influence and are inconsistent with the development objectives of this urban renewal plan. New planned salvage yards that incorporate modern, best practices including efficient use of land and protect against blight may be encouraged.	Chapter III. Plan Objectives: Section C. Land Use, Items 5 and 9
9. Review and update existing zoning regulations and standards to reflect contemporary standards and evaluate the conditional permitted use process <i>including salvage yards</i> .	
[new language italicized] Delete "Southeast Diagonal Highway" and replace with "Southeast	1
Connector Roadway "so sentence reads as follows: 2. Develop new roadways such as the proposed <i>Southeast Connector Roadway</i> to improve access to and from the area.	Chapter III. Plan Objectives: Section D. Traffic Circulation
[new language italicized]	

Amend general location language and the legal description to add the area bounded by E. Market St. on the north, E. 18th St. on the east, Scott Ave. on the south and E. 14th St. on the west to the urban renewal area. The new area that is being added shall be known as Subarea B with the original area to be known as Subarea A.

Chapter IV Legal
Description - Sections
A and B

A. GENERAL LOCATION

The SE AgriBusiness Urban Renewal Area is generally bounded by:

- Maury E. Market Street between SE 14th Street and SE 18th Street; Dean Avenue between SE 18th Street and SE 30th Street; and Scott Avenue between SE 30th Street and SE 43rd Street (eastern City limits) on the north;
- SE 43rd Street (City limits) on the east;
- The centerline of the Des Moines River on the south; and
- SE 14th Street on the west.

B. LEGAL DESCRIPTION

The SE AgriBusiness Urban Renewal Area is legally described as follows:

Combined Description for Subarea A and Subarea B

Beginning at a point at the intersection of the westerly extension of the North right-of-way line of Market Street and the center line of SE 14th Street; thence East along the westerly extension and along the North right-of-way line of Market Street to the West right-of-way line of Southeast 18th Street; thence North along the West right-of-way line of Southeast 18th Street and East 18th Street and its northerly extension to the North right-ofway line of Dean Avenue; thence East along the North and its northerly extension of the right-of-way line of Dean Avenue and its easterly extension to the East right-of-way line of East 30th Street; thence South along the East right-of-way line of East 30th Street to the North right-of-way line of Scott Avenue; thence East along the North right-of-way line of Scott Avenue and continuing along the North right-of way line of Parkridge Avenue and its easterly extension to the east corporate boundary of the City of Des Moines; thence South along the east corporate boundary of the City of Des Moines to the thread of the Des Moines River; thence westerly and northwesterly along the thread of the Des Moines River to the centerline of SE 14th Street; thence North along the centerline of SE 14th Street to the Point of Beginning, all now included in and forming a part of the City of Des Moines, Polk County, Iowa. (Approximately 3,274 acres)

A. Subarea A (Original Area)
[no changes made to current legal description]

B. Subarea B (The area added to Subarea A, the original SE AgriBusiness Urban Renewal Area, by the Fourth Amendment to the Urban Renewal Plan Area):

Beginning at a point at the intersection of the westerly extension of the North right-of-way line of Market Street and the centerline of SE 14th Street; thence East along the westerly extension and along the North right-of-way line of Market Street to the West right-of-way line of Southeast 18th Street; thence South along the West right-of-way line of Southeast 18th Street to the North right-of-way and westerly extension line and its westerly extension of Maury Street; thence West along the North right-of-way line of Maury Street to the centerline of SE 14th Street; thence North along the centerline of SE 14th Street to the Point of Beginning, all now included in and forming a part of the City of Des Moines, Polk County, Iowa. (Approximately 122 acres)

[new language to be added is italicized]

Amend the following statement to include "public works, parks, engineering" as additional examples of provision of public services:

3. Provision of public services. The City will provide and coordinate appropriate levels of public services throughout the redevelopment project area to support and encourage achievement of plan objectives. These services may include police, fire, health, *public works*, *parks*, *engineering*, social, recreation, counseling and other types of services. Additionally, the City may take administrative actions which expedite the review of and action on development proposals.

[new language italicized]

Amend the following statement to incorporate the Southeast Connector Roadway Project:

9. a. Street system: A plan and program will be prepared to improve existing street systems, provide better connections between north-south streets and maintain good access to arterial roadways such as Maury Street, Vandalia Road and Southeast 30th Street. Additional improvements, such as the <u>Southeast Connector Roadway</u>, a multi-lane divided roadway with various interchanges, extending from the portion of M L King Jr. Parkway at SE 14th Street to SE 43rd Street in Des Moines where it will continue eastward into Pleasant Hill and connect to U.S. Highway 65. interchanges to relocated U.S. Highway 65, to connect the area to major roadways will also be implemented.

Chapter VI. Project Proposals –Section A.3

Chapter VI. Project Proposals –Section A.9.a.

[new language to be added is italicized] [words shown with 'strike-through' are to be deleted]	
Delete the following paragraph from the standards which redevelopers must meet: Redevelopers will not be permitted to defer the start of construction for a period longer than that required to prepare architectural and engineering plans, secure satisfactory financing, complete the review and approval of such plans by the City in order to establish their conformance with the disposition documents and for any additional time period the City explicitly deems acceptable (such as for planned developments or inclement weather). [words shown with 'strike-through' are to be deleted]	Chapter VI. Project Proposals –Section A.7. (third paragraph)
Add new subsection "e" providing that the City may acquire, construct and equip a "Municipal Services Center" for use by various City departments for materials, equipment, storage, maintenance, offices and related facilities relating to Departments of Parks and Recreation, Public Works and Engineering functions.	Chapter VI. Project Proposals –Section A.9.e
e. Acquisition, Construction and Equipping of a Municipal Services Center to provide cost-effective facilities for materials, equipment, storage, maintenance, offices and related functions in a single location that allows the City to operate more efficiently in its delivery of various City services by the Public Works, Engineering and Park and Recreation Departments and with sufficient space to accommodate expansion and allow for a comprehensive long-term approach for future space needs. This proposed facility will be located on property currently used for auto salvage operations as identified on Map 6-Acquisition Map and Map 8-Public Facilities and Specific Public Improvements. Such proposed facility shall have an attractive appearance that will improve the surrounding area and establish activity and an employee presence at the site on a daily basis. The City's rights to exercise eminent domain related to this public improvement project are based on the general public purposes of the City that are reasonable and necessary as an incident to the general powers and duties of the City.	
[new language to be added is italicized]	Eulikit A. Einer 1
Revise the Financial Condition Report (Exhibit A) to reflect the potential for net TIF financial expenditures of up to \$18 million (principal) to: - undertake acquisition, relocation, disposition, planning,	Exhibit A: Financial Condition Report

equipping and construction of infrastructure, public improvements and related activities for the Municipal Services Center for an amount up to \$18 million;

- provide for the addition of Subarea B to the original urban renewal area; and
- provide for economic development assistance to Kemin Industries, Inc. for expansion of its corporate headquarter facilities located at 2100 Maury St.
- update the overall projections and use of the tax increment revenues since the last revision in 2008.

Fourth Amendment

Replace the current adopted urban renewal plan and amendments and replace with the attached "Restated Urban Renewal Plan for the SE AgriBusiness Urban Renewal Area with First, Second, Third and Fourth Amendments included."

Restated Urban Renewal Plan for the SE AgriBusiness Urban Renewal Area

with First, Second, Third and Fourth Amendments included

Des Moines, Iowa

Taxing Entities Consultation 10/19/11

Urban Development Board Review //11

Plan & Zoning Commission Review //11

City Council //11

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		Amendment #
1	Urban Renewal Area Boundary	4th
2	City Recognized Neighborhoods within Urban Renewal Area	4th
3	Existing Zoning	4th
4	Proposed Future Land Uses	4th
5	Area of Focused Redevelopment Activity - Agrimergent Technology Park	4th
6	Acquisition Map	4th
7	Disposition Map	4th
8	Public Facilities and Improvements Assisted by TIF	4th

I. INTRODUCTION

The City of Des Moines recognizes a large portion of Southeast Des Moines offers an unparalleled opportunity to develop businesses which add value to agriculturally-related products through production and to expand the existing agribusiness base. The designation of this area as an urban renewal area will assist in creating new business development and employment opportunities for Des Moines.

Low value, low density development exists in the proposed SE AgriBusiness Urban Renewal Area. Currently, a majority of the area is characterized as blighted which includes substandard and deteriorated buildings, vacant and overgrown properties, large-scale trash dumping, potential environmental contamination, inadequate infrastructure, obsolescent street patterns, unpaved streets, and fragmented land ownership.

As of 1997 when this urban renewal plan was being created, development has not occurred on a large scale due to lack of sufficiently-sized developable parcels, inadequate internal infrastructure and widespread blight.

The City of Des Moines has determined it must make a concerted and coordinated effort to encourage long-term private investment in this area. The City of Des Moines will conduct the urban renewal actions specified in this plan pursuant to the powers granted to it under state law (Chapter 403, *Code of Iowa*) to achieve its goal of realizing the area's full development potential by eliminating blight and overcoming obsolescence.

Map 1 shows the boundaries of the SE AgriBusiness Urban Renewal Area, about 3,272 acres, and its general location in the Des Moines area. The SE AgriBusiness Urban Renewal Area encompasses the former Southeast Industrial Relocation Renewal Project, the former Vandalia Acres Urban Renewal Project and additional properties. In all cases, this urban renewal plan and amendments supersede previously-adopted urban renewal plans and amendments for property located in the SE AgriBusiness Urban Renewal Area.

The SE AgriBusiness Urban Renewal Area is also designated by the Des Moines City Council as a tax increment finance (TIF) district in accordance with the *Code of Iowa* (Section 403.19) and Ordinance No. 13,576 and as amended.

The City will focus redevelopment activities by private entities in the Agrimergent Technology Park. The Agrimergent Technology Park is located west of Southeast 43rd Street, south of Scott Avenue, east of Southeast 30th Street and north of the Burlington Northern Railroad, is more specifically shown on Map 5. The Agrimergent Technology Park will be dedicated to attracting and expanding value-added agricultural enterprises.

II. BACKGROUND

Previous Urban Renewal Activity:

The City previously designated several small urban renewal areas within the SE AgriBusiness Urban Renewal Area in the 1970s and early 1980s. The primary purpose of those earlier urban renewal areas was the voluntary acquisition of residential properties within industrially-zoned locations. Although the City currently owns about 38 acres from these residential acquisitions, it has not been actively involved in acquiring or conveying these now-vacant properties due, in part, to the scattered sites in various locations and small size of the acquired parcels. Those earlier urban renewal areas were terminated by separate action taken concurrent with the adoption of this Plan.

Neighborhoods:

At this time, there are portions of several residential neighborhood organizations within the urban renewal area as shown on Map 2 - City of Des Moines Recognized Neighborhoods which are:

Neighborhood	Location of neighborhood within the urban renewal area
Capitol East	Small portion located primarily south of Dean Ave. and east of E. 18 th St.
Fairgrounds	Small portion located primarily south of Dean Ave. and east of E. 20^{th}St. extending to SE 30^{th}St.
Laurel Hill	Portion located south of Scott Ave. from SE 30 th to SE 38 th Sts.

Each of these neighborhoods is "Recognized" by the City Council; it has met specified minimum standards and is contacted by the City to provide information and direction on the neighborhood to City boards, commissions and other groups.

The Capitol East neighborhood is also a "Designated" neighborhood with an adopted Action Plan addressing neighborhood issues and plans for the future. Capitol East has received funding for residential, commercial redevelopment and rehabilitation projects from a variety of sources including the Neighborhood Finance Corporation.

The City will continue to work with these and other future designated neighborhoods in the urban renewal area to minimize potential conflicts between new non-residential development and existing area neighborhoods.

Infrastructure:

Since 1990, substantial investment has been made in this area in targeted public infrastructure improvements.

- About \$4 million for a 30" water main and a 54" sanitary sewer line.
- The Wastewater Reclamation Facility, a secondary sewage treatment facility, was constructed in the early 1990s. This \$120 million plant, which meets current federal standards, is designed to address current and future wastewater treatment needs in a cost effective manner. It presently operates at about 50% capacity. Substantial new manufacturing and research and development uses

can be built in this area due to the available capacity. This area, with its close location to the wastewater treatment plant, is the *only* location in the metropolitan area that can accommodate the needs of large volume users in a cost-efficient manner.

- Relocated U.S. Highway 65, a \$125 million highway designed to interstate standards, is ½ mile east of the proposed urban renewal area. This roadway connects directly to I-80 in north Des Moines and to the U.S. Highway 65/69. This interstate-standard road also connects directly to Interstate 35.
- Southeast Connector Roadway Project: This project received final design approval for its location and configuration in 2010; the roadway is located in a more northerly location than initially planned earlier in the decade. Acquisition for the first phase of the new multi-lane, major arterial roadway connecting the Martin Luther King, Jr. Parkway terminus at SE 14th Street to the Vandalia Road/US 65 Bypass interchange began in 2011. The Southeast Connector, which will cost an estimated \$125 million, will provide the City a safe, efficient and direct route from downtown to the US 65 Bypass and help spur economic development along the corridor.

Enterprise Zone:

In May 1997, the Iowa Legislature adopted legislation that provides for the designation of 'enterprise zones' in areas that meet specific economic distress criteria. The intent of the legislation is to promote development in economically distressed areas throughout Iowa. Businesses (excluding retail) that locate or expand in a state-certified Enterprise Zone may obtain a special package of state tax incentives which include job training, investment, research and development tax credits as well as a refund of sales, service and use taxes paid on materials used in construction within the zone.

The City of Des Moines has received Enterprise Zone certification to 2017 for the AgriBusiness Enterprise Zone that includes the SE AgriBusiness Urban Renewal Area.

Agrimergent Technology Park

On December 3, 2001, the Des Moines City Council adopted the Des Moines Agrimergent Technology Park Plan, attached hereto as Appendix B, and authorized the City Manager to implement that plan. The Des Moines Agrimergent Technology Park Plan is a master plan for high quality development of the portion of the urban renewal area designated as the Agrimergent Technology Park and identified in Map 5.

The 1,100-acre Agrimergent Technology Park is being designed to offer agribusinesses and related industries a unique environment in which to develop inter-industry linkages and to capitalize on the area's agribusiness advantages. The Park will be developed in stages over 15-20 years. The Agrimergent Technology Plan estimated the new development will add \$420.4 million in tax base when built-out and create nearly 6,500 jobs.

The City purchased a 166 acre tract of vacant land located on the south side of Vandalia Road extending from about SE 36th St. to SE 43rd St. in 2000 and then obtained funding to provide high capacity water and wasterwater capacity to the site. In 2006, the City entered into a redevelopment agreement with Vision Fuels for the construction of an ethanol refinery operation on a 160 acre parcel located on the south side Vandalia Road. The project did not proceed and in 2009, the agreement was terminated. As of 2011, this property continues to be leased on annual basis for farming operations.

Salvage Yard Operations:

The area has historically been the location for many automotive salvage operations ranging in size from a single lot to many acres. In the past 10 years, the City has acquired about 50 acres of property located on the north side of Vandalia Road located between SE 33rd to SE 38th Streets which were primarily older, inefficient smaller salvage yard operations. With these acquisitions, many of the most visible blighted properties with significant numbers of city code violations are no longer in operation within the Agrimergent Park boundaries.

In 2011, the City Council authorized acquisition of a major salvage yard headquartered at 1610 Scott Street. This large operation of over 30 acres which is quite visible from the western boundary of this urban renewal area from the SE 14th St. viaduct, will be, in part, used for a portion of the Southeast Connector Roadway project with the remaining portion of the site as the location for the first phase of the new Municipal Services Center.

New planned salvage yard operations that incorporate modern best practices that include consolidation of operations, more efficient use of land, better quality landscaping and screening and furthers the objectives of this urban renewal plan may be an appropriate land use for the area.

Municipal Services Center Master Plan:

In 2011, the City Council approved the Municipal Services Center Park Master Plan which provides recommendations, guidelines and plans for the future development of various facilities and space needs to house and deliver various City services in an efficient and effective manner. The location of the first phase facilities was selected in 2011 with construction anticipated to start in 2012; the initial facility is anticipated to cost over \$18 million.

III. PLAN OBJECTIVES

The SE AgriBusiness Urban Renewal Area encompasses a sizeable under-developed area in Southeast Des Moines. It contains a large number of underutilized and vacant properties that contribute minimally to the City's tax base.

The objectives of creating this urban renewal area are to construct public improvements and create and sustain development in a healthy, high quality environment that will help generate an increased tax base, retain and create livable wage jobs, and improve the appearance of the area.

Development projects of private entities which utilize urban renewal assistance shall meet standards based on principles which acknowledge the basic functions of research and development, manufacturing and other industrial uses while protecting existing residentially-zoned areas from negative impacts.

The objectives listed below will assist in implementing these principles through making land ready for public improvements and redevelopment by private entities by acquisition, clearance, environmental remediation, installation of public infrastructure improvements, construction of public buildings and implementation of appropriate public incentives to attract private investment.

A. GENERAL

- 1. Create and preserve an environment to protect the health, safety, general welfare and quality of life of City residents as well as maintain and increase taxable values and good quality employment in the area.
- 2. Encourage the elimination of vacant and under-utilized parcels, substandard and obsolescent buildings, blighting influences and environmental deficiencies which detract from the functional unity, aesthetic appearance and economic vitality of this important part of Des Moines. Construct public improvements and establish conditions to attract new investment and prevent the recurrence of blight.
- 3. Target acquisition activities for private redevelopment to the Agrimergent Technology Park identified in Map 5 to help assemble parcels adequate in shape and size for development in accordance with contemporary requirements and standards.

B. ECONOMIC DEVELOPMENT

- 1. Provide for the orderly expansion of appropriate and diverse service, manufacturing and industrial uses in Des Moines.
- 2. Encourage and support development which enhances and makes the best possible

use of public facilities, resources and investments.

- 3. Ensure the area is adequately served with public utilities and services to support contemporary development requirements.
- 4. Provide incentives to overcome development constraints to assure successful redevelopment projects.
- 5. Undertake 'good neighbor' agreements with individual businesses as needed to ensure that new development creates a positive impact on adjoining residential areas and provides for responsible community growth.

C. LAND USE

- 1. Ensure that streets, open spaces, building setbacks and other features are designed to high standards of efficiency, effectiveness and aesthetics.
- 2. Provide sites to accommodate the construction of public improvements and to accommodate the construction of offices, office/distribution centers, manufacturing facilities, research and development operations, other agribusiness functions and related support services in productive and attractive campus-style environments in close proximity to each other.
- 3. Encourage intensive, coordinated development of public improvements and of commercial, industrial, agribusiness and related facilities to assure efficient and effective use of available land and investments.
- 4. Minimize future pollution by remediating environmentally-contaminated sites and by taking appropriate enforcement action to curtail the illegal dumping that has been occurring in the area.
- 5. Discourage the development and/or expansion of existing salvage yards that are a blighting influence and are inconsistent with the development objectives of this urban renewal plan. New planned salvage yards that incorporate modern, best practices including efficient use of land and protect against blight may be encouraged.
- 6. Incorporate existing wetlands into site design; if conversion of wetlands is necessary, encourage on-site mitigation.
- 7. Where feasible, retain and protect healthy hardwood trees over 8" in diameter to enhance aesthetics of the area. Provide standards that emphasize intensive high quality landscaping for publicly and privately-owned properties.
- 8. Provide for adequate buffer and transition areas between existing residential and non-residential uses.

9. Review and update existing zoning regulations and standards to reflect contemporary standards and evaluate the conditional permitted use process including salvage yards.

D. TRAFFIC AND CIRCULATION

- 1. Make improvements to the street system to facilitate traffic flow, especially along SE 30th Street and Vandalia Road, and improve circulation into and around the Maury Street corridor.
- 2. Develop new roadways such as the proposed Southeast Connector Roadway to improve access to and from the area.
- 3. Encourage the coordinated construction of public improvements and development by private entities of parcels and structures to achieve efficient building design and provision of adequate parking, truck loading and service access.
- 4. Ensure that sites are sufficiently sized to accommodate installation of rail spur lines along the Burlington-Northern and Norfolk-Southern Railroad trackage.

IV. LEGAL DESCRIPTION

A. GENERAL LOCATION

The SE AgriBusiness Urban Renewal Area is generally bounded by:

- East Market Street between SE 14th Street and SE 18th Street; Dean Avenue between SE 18th Street and SE 30th Street; and Scott Avenue between E 30th Street and SE 43rd Street (eastern City limits) on the north;
- SE 43rd Street (City limits) on the east;
- The centerline of the Des Moines River on the south; and
- SE 14th Street on the west.

B. LEGAL DESCRIPTION

The SE AgriBusiness Urban Renewal Area is legally described as follows:

Combined Description for Subarea A and Subarea B

Beginning at a point at the intersection of the westerly extension of the North right-ofway line of Market Street and the center line of SE 14th Street; thence East along the westerly extension and along the North right-of-way line of Market Street to the West right-of-way line of Southeast 18th Street; thence North along the West right-of-way line of Southeast 18th Street and East 18th Street and its northerly extension to the North right-of-way line of Dean Avenue; thence East along the North and its northerly extension of the right-of-way line of Dean Avenue and its easterly extension to the East right-of-way line of East 30th Street; thence South along the East right-of-way line of East 30th Street to the North right-of-way line of Scott Avenue; thence East along the North right-of-way line of Scott Avenue and continuing along the North right-of way line of Parkridge Avenue and its easterly extension to the east corporate boundary of the City of Des Moines; thence South along the east corporate boundary of the City of Des Moines to the thread of the Des Moines River; thence westerly and northwesterly along the thread of the Des Moines River to the centerline of SE 14th Street; thence North along the centerline of SE 14th Street to the Point of Beginning, all now included in and forming a part of the City of Des Moines, Polk County, Iowa, (Approximately 3,274 acres)

A. Subarea A (Original urban renewal area)

Beginning at the intersection of the westerly extension of the North right-of-way line of Maury Street and the West line of the Northwest 1/4 of Section 11, Township 78

North, Range 24 West of the 5th P.M.; thence East along the westerly extension and along the North right-of-way line of Maury Street to the West right-of-way line of Southeast 18th Street; thence North along the West right-of-way line of Southeast 18th Street and East 18th Street and its northerly extension to the North right-of-way line of Dean Avenue: thence East along the North right-of-way line of Dean Avenue and its easterly extension to the East right-of-way line of East 30th Street; thence South along the East right-of-way line of East 30th Street to the North right-of-way line of Scott Avenue; thence East along the North right-of-way line of Scott Avenue and the easterly extension of the North right-of-way line of Scott Avenue to the East Corporate Boundary of the City of Des Moines, Polk County, Iowa; thence South along the East Corporate Boundary of the City of Des Moines to the thread of the Des Moines River; thence westerly and northwesterly along the thread of the Des Moines River to the intersection of the West line of the Southwest 1/4 of Section 11, Township 78 North, Range 24 West of the 5th P.M.; thence North along the West line of said Section 11 to the Point of Beginning; all now included in and forming a part of the City of Des Moines, Polk County, Iowa (Approximately 3,152 acres)

B. Subarea B (The area added to Subarea A, the original SE AgriBusiness Urban Renewal Area, by the Fourth Amendment to the Urban Renewal Plan Area):

Beginning at a point at the intersection of the westerly extension of the North right-of-way line of Market Street and the centerline of SE 14th Street; thence East along the westerly extension and along the North right-of-way line of Market Street to the West right-of-way line of Southeast 18th Street; thence South along the West right-of-way line of Southeast 18th Street to the North right-of-way and westerly extension line and its westerly extension of Maury Street; thence West along the North right-of-way line of Maury Street to the centerline of SE 14th Street; thence North along the centerline of SE 14th Street to the Point of Beginning, all now included in and forming a part of the City of Des Moines, Polk County, Iowa. (Approximately 122 acres)

The full right-of-way of streets and public ways within or along the above description shall be included within the plan area.

V. PROPOSED LAND USE PLAN

A. CURRENT ZONING AND LAND USE

The major zoning categories in the urban renewal area are:

Use	Zoning Designation		
Residential	R1-60, R-2 and R-3		
Commercial	C-2		
Industrial	M-1 and M-2		
Recreation and Open Space	U1 and FW		

A majority of the urban renewal area is zoned and used for light and heavy industrial uses. Major land use categories to be retained or encouraged in this urban renewal area are described below.

It is the City's intention not to enlarge or create any additional large-scale residentially zoned areas within the urban renewal area. At this time, the only zoning change contemplated is designation of the Agrimergent Technology Park, or portions thereof, as a Planned Unit Development (PUD) or Planned Business Park (PBP) at a future time. Existing zoning is shown on Map 3 - Existing Zoning.

The proposed land use plan concepts for this urban renewal plan, shown on Map 4 - Proposed Future Land Uses, is in conformance with the City's adopted land use plan. It is anticipated a future amendment may be made to the adopted land use plan for the frontage area currently designated as "Residential" located along Southeast 30th Street, east of Scott Avenue and extending south by about ½ mile, may be amended to "Commercial" to provide support for existing and future needs of residents and employees.

The City updated its comprehensive plan. Issues impacting this urban renewal area were evaluated in the review of the comprehensive plan. There are no conflicts between the comprehensive plan and this urban renewal plan.

It is intended that all principal trafficways will be retained. However, the specific location and design of streets are subject to refinement and modification to meet traffic engineering and design requirements.

B. LAND USE PROVISIONS (Standards and Controls)

Provisions and requirements related to each of the land use categories that will be encouraged in this urban renewal area are as follows. These land use categories are to be used as a general guide to assist the City in decisions related to land uses in the area such as rezoning requests, conditional use permits, and for projects with discretionary standards such as Planned Unit Developments and urban-renewal assisted properties.

The general locations of these land use categories are shown on Map 4 - Proposed Future Land Uses. References to the "Ordinance" are to the <u>City of Des Moines Zoning Ordinance</u>.

Use	Function	Permitted Uses	Standards and Controls
Commercial	Commercial uses that support the needs of employees and residents of the area.	As per the "C-2" District regulations in the City Zoning Ordinance.	Location of facility should be appropriate to the site and minimize conflicts with adjacent uses.
Planned Business Park & Planned Unit Development	Management, research, design, marketing, manufacturing and production facilities.	Business uses that are beneficial to the community. Residential uses not permitted.	Flexible standards for development to incorporate 'best possible' practices in site and building design while enhancing the environment.
Limited Industrial	Non-nuisance industrial uses located near residential areas.	Manufacturing, assembling, processing and other industrial processes.	Large lots with landscaped grounds and ample provision of off-street parking and loading for selected industries. Additional information on site design found in 2A-22 (M-3 Limited Industrial) of the Ordinance.
Residential	Single-family and multi-family housing.	As per the City Zoning Ordinance. No large-scale expansion of residentially- zoned areas.	Any new development should be serviced by City sanitary sewer and water mains and hard-surfaced streets. If located in area of known flooding or high groundwater table, structures shall be elevated according to floodplain requirements and stormwater impacts on adjoining properties mitigated.
Public and Semi-Public (includes Recreation and Open Space)	For civic and public uses to provide for public, cultural, institutional, recreational, open space, wetlands, and conservation/preservation uses.	Public, semi-public and other uses for educational, cultural, recreational, governmental or other activities strongly vested with public importance. Supportive and commercial uses accessory and incidental to the primary use located on the same property are permitted.	Design and construction materials should be appropriate to the site and uses. Innovative design approaches are encouraged to preserve natural features.

VI. PROJECT PROPOSALS

- A. The City of Des Moines shall take actions necessary to achieve the objectives of this plan. These actions may include but not be limited to the following:
 - 1. <u>Continuing planning</u>. The City will continue efforts to assess and respond to the problems, needs and opportunities of the project area through additional technical studies, through the preparation of more detailed plans, through discussions with property owners, prospective developers, citizens, and public officials, and through various engineering, economic, design, and related studies. This effort may result in the publication, from time to time, of additional reports, regulations and guidelines, project plans, or other documents which aid in defining the objectives of this plan.

The City will also participate in planning efforts with other public and private interests which will further help to accomplish plan objectives. The City will be responsible for reviewing planning proposals and for coordinating such proposals so as to implement the objectives of this plan. It will take the initiative to bring zoning and other regulations and plans for public facilities into conformance with the plan.

- 2. <u>Information and technical assistance.</u> The City will prepare and distribute informational materials and provide technical assistance where appropriate to property owners, prospective developers and occupants of the project 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 plan.
- 3. Provision of public services. The City will provide and coordinate appropriate levels of public services throughout the redevelopment project area to support and encourage achievement of plan objectives. These services may include police, fire, public works, parks, engineering, health, social, recreation, counseling and other types of services. Additionally, the City may take administrative actions which expedite the review of and action on development proposals.

4. Funding.

a. The City will actively pursue sources of funding which will assist in the achievement of plan objectives. This may include but is not limited to bond issues, loans, grants, general fund expenditures, tax increment financing, special assessments, participation in federal programs, joint exercises with other units of government, cooperation and coordination in joint development mixed-use projects with private and public agents, sale of property or services, revenue financing, tax abatement and solicitation of developer offerings.

- b. The division of revenue from taxation pursuant to *Code of Iowa* \$403.19 shall be deemed an element of the Plan. Tax increment funding shall be available for project proposals and activities.
- c. 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. <u>Preparation of land for redevelopment</u>. The City will undertake a variety of actions to help prepare land for redevelopment, including construction of public improvements, which may include:
 - a. Acquisition of properties. Specific properties to be acquired are designated on Map 6-Acquisition Map. Map 6 may be amended from time to time to designate properties for acquisition. The properties to be acquired will be identified through a process involving additional planning, analysis and a process of review and amendment as set forth in Section VIII. Property may be acquired in the project area for the following purposes:
 - (1) To remove buildings which are structurally substandard.
 - (2) To eliminate vacant and under-utilized parcels and to remove uses or buildings which are exerting a blighting influence on the area. Such blighting influences include, but are not limited to, the following:
 - (a) Incompatible land-use relationships.
 - (b) Buildings which are obsolete by virtue of location, size, design, damage, mechanical or electrical systems, or other features which inhibit their effective and economic use or which deter achievement of plan objectives.
 - (3) To remove conditions of platting or other conditions of land ownership which inhibit assembly and sound development.
 - (4) To provide sites and rights-of-way required to accommodate needed public improvements or facilities and to assure adequate design of such facilities.
 - (5) To assemble open, vacant or underutilized land to accommodate new development, to overcome problems of diversity of ownership, economic disuse, unsuitable topography and/or faulty layouts and to achieve coordination in the development of the project area with other parts of Des Moines.

- (6) To assure conformance of property to the urban renewal plan, property rehabilitation standards and/or local codes or ordinances.
- (7) To acquire sites for development/redevelopment as a home office or regional office facility for a multi-state business in furtherance of the objectives of this plan.
 - b. Site preparation. The City may clear property of structures and other improvements in preparation for redevelopment. The City may also undertake other related activities, such as environmental testing and remediation, to facilitate development.
 - c. The City may advertise for and solicit development proposals, negotiate with prospective developers and dispose of all or a portion of the rights to property to public or private agents for the purpose of redevelopment in accordance with the objectives of this plan. Property rights to be disposed of may include those acquired under subsection 5.a described above and/or street rights-of-way and other lands in public ownership not needed for a public purpose. Specific properties to be disposed of are identified on Map 7- Disposition Map.
 - d. The City may subdivide, vacate, re-subdivide, or otherwise change the recorded arrangement of property under its control to accomplish the objectives of this plan.
- 6. <u>Relocation</u>. The City may assist in the relocation of residents and businesses displaced by public action. If the City provides relocation assistance, displaced residents and businesses may be provided with the opportunity of relocation to accommodations which are decent, safe, sanitary and within their financial means in accordance with established relocation practices.
- 7. Establish requirements for redevelopers. In consideration of efforts to be made by the City in furthering the development and redevelopment of the project area, developers and redevelopers will be required to observe the requirements of this urban renewal plan. Where land acquisition, the use of public funds and/or the undertaking of public improvements are involved in private development, the City will seek to assure compliance with the urban renewal plan by contractual agreement. Additional assurance will be sought by modifying zoning and other city ordinances to conform to the provision of this plan to the fullest extent possible.

Developers will be selected on the basis of the conformance of their proposals to this urban renewal plan and a determination of their ability to implement such proposals. This may be through fixed-price offerings, negotiation where design objectives may be determining factors or by other means which, in the

determination of the City, best assures the attainment of development and design objectives of this urban renewal plan.

The following provisions will be included in agreements with redevelopers.

- a. Redevelopers will submit plans and schedules for the proposed development to the City and will keep the City informed regarding progress in implementing these plans.
- b. Land purchased from the City can be used for the purpose of redevelopment only and not for speculation.
- c. Any ownership parcel made up in part of land acquired from the City will be built upon and improved in conformity with the objectives and provisions of this urban renewal plan.
- d. Construction of improvements will be initiated and completed within a reasonable time.
- e. Language in accordance with Section 2-320, <u>Non-Discrimination in Urban</u> Renewal Projects, of the Des Moines Municipal Code, as amended.
- 8. <u>Utilities.</u> A program will be developed for placing existing and proposed utility distribution lines underground. The objective will be to provide more dependable utility services and to eliminate the blighting influence of above-ground installations wherever possible.
- 9. <u>Specified public improvements.</u> An intent of this plan is to acquire, construct, equip, provide, maintain, improve and repair public improvements. These improvements include buildings, street modifications, open spaces, landscaping, utilities and other facilities and features needed to help carry out and achieve plan objectives.

These will be identified through studies and plan to be completed by the City and/or proposals to be developed privately. Planned improvements within the urban renewal area include but are not limited to:

a. Street system: A plan and program will be prepared to improve existing street systems, provide better connections between north-south streets and maintain good access to arterial roadways such as Maury Street, Vandalia Road and Southeast 30th Street. Additional improvements, such as the <u>Southeast Connector Roadway</u>, a multi-lane divided roadway with various interchanges, extending from the portion of M L King Jr. Parkway at SE 14th Street to SE 43rd Street in Des Moines where it will continue eastward into Pleasant Hill and connect to U.S. Highway 65.

- b. Des Moines River and SE Connector Levee Maintenance: Levee improvements will be explored and undertaken as needed and determined to be cost-effective for various parts of the levee and river wall system from SE 14th Street to SE 43rd Street.
- c. Sanitary Sewer, Stormwater Collection and Distribution System: A plan will be prepared to install the appropriate sanitary and storm sewer collection and distribution system to reduce surface flooding for the area shown on Map 5-Area of Focused Redevelopment Activity.
- d. Acquisition, Construction and Equipping of a Des Moines Fire Department Logistics and Training Facility to assist in the training and education of City of Des Moines public safety employees and to protect the health, safety, and general welfare of city residents. This proposed facility will be located on a vacant, under-utilized parcel, as identified on Map 6-Acquisition Map and Map 8-Public Facilities and Specific Public Improvements. Such proposed facility shall have an attractive appearance that will improve the surrounding area and establish activity and an employee presence at the site on a daily basis.
- e. Acquisition, Construction and Equipping of a Municipal Services Center to provide cost-effective facilities for materials, equipment, storage, maintenance, offices and related functions in a single location that allows the City to operate more efficiently in its delivery of various City services by the Public Works, Engineering and Park and Recreation Departments and with sufficient space to accommodate expansion and allow for a comprehensive long-term approach for future space needs. This proposed facility will be located on property currently used for auto salvage operations as identified on Map 6-Acquisition Map and Map 8-Public Facilities and Specific Public Improvements. Such proposed facility shall have an attractive appearance that will improve the surrounding area and establish activity and an employee presence at the site on a daily basis. The City's rights to exercise eminent domain related to this public improvement project are based on the general public purposes of the City that are reasonable and necessary as an incident to the general powers and duties of the City.
- 10. Activities under Chapter 15A: The City may, as part of its actions to carry out this plan, engage in economic development activities within the SE AgriBusiness Urban Renewal Area pursuant to Iowa Code Chapter 15A 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 this urban renewal plan.

The City may provide financial assistance as approved by the City Council for economic development and /or redevelopment activities specified in this urban renewal plan where the desired level of redevelopment has not occurred. The City may solicit and/or package such economic development activity proposals.

VII. DATE OF TERMINATION OF THE URBAN RENEWAL PLAN

This Plan shall continue in effect until terminated by action of the City Council of the City, but in no event before the City has received full reimbursement from incremental taxes of its advances and principal and interest payable on all tax increment financing or general obligations issued to carry out the objectives of the Plan.

VIII. 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.

EXHIBIT A - FINANCIAL CONDITION REPORT FOR THE SE AGRIBUSINESS URBAN

RENEWAL PROJECT (4th Amendment)

The City has, by Ordinance No. 13,576 passed January 16, 1998, designated the SE AgriBusiness Urban Renewal Area as a 'Tax Increment Finance District' as permitted by Chapter 403, *Code of Iowa*, and such ordinance being amended by ordinance adopted in conjunction with the 4th amendment to this Plan.

The expected financial undertakings and tax increment revenue with regard to this urban renewal area are fully discussed in this Financial Condition Report

Introduction

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

Urban renewal can provide flexibility in phasing development over a long-term period. In Iowa, a city may designate an "urban renewal area" by following the requirements specified in Chapter 403, Code of Iowa. Chapter 403 requires the area to contain one or more of the following conditions:

- -- Slum and/or blighted areas
- -- Economic development opportunity

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, public services, the sale or purchase 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 the urban renewal plan or any amendment can be adopted by the city council, notice of a public hearing on the plan or amendment must be published in the newspaper.

In addition, if the urban renewal area uses tax increment financing, 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.

Tax Increment Financing

Tax increment financing ("TIF") is *only* available in designated urban renewal areas. The tax increment is the difference between the property assessment at the time the TIF District is created and the current assessment; TIF works best in areas where development will occur after the TIF designation.

The City can use the tax revenue created by the tax increment for financing the projects identified in the urban renewal plan such as acquisition of land, environmental remediation and construction of new infrastructure.

TIF can only be used for the activities or items authorized in the urban renewal plan; for example, the City can issue TIF bonds to "front-end" the costs of constructing needed infrastructure. The TIF funds are then used to pay off the bonds.

If the city does not use the revenue for paying off TIF bonds 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 generated after January 1, 1996; the unexpended increment revenues will be available for distribution to the various property taxing entities.

Current TIF Bonding and Outstanding Indebtedness

The SE AgriBusiness Urban Renewal Plan and tax increment district were approved by the City Council in January 1998. This financial condition report will summarize projected revenue from the TIF, outstanding and contracted-for indebtedness, and the debt retirement periods for the SE AgriBusiness Urban Renewal Area.

The table on the following page shows the actual and projected annual debt payment for bonds and other contractual debt issued for the SE AgriBusiness Urban Renewal Area projects.

Overall, the City of Des Moines has about \$357 million in general obligation debt. Of this debt, approximately \$113 million is being serviced with tax increment revenues for specific urban renewal areas. The State of Iowa Constitutional debt-ceiling limit for general debt obligations by the City of Des Moines is about \$552 million. Currently SE Agribusiness Urban Renewal Area has \$6.3 million of outstanding debt to pay off. In addition, the outstanding total of tax increment notes and bonds in this urban renewal area is about \$5.5 million.

Property Tax Assessments and Revenues

At the time of designation as a tax increment financing district, the property tax assessments will be "frozen". 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 is about \$49.2 million for the urban renewal area which includes the addition of Subarea B and formerly tax-abated valuation becoming taxable. Based on the rollback adjustments as mandated by the State of lowa, the 2011/12 taxable value is estimated to be about \$85 million for the entire

urban renewal area, producing an increment above the "frozen" base value of about \$36 million.

Future Financial Condition

It is anticipated that property values will increase due to the City's urban renewal designation, related activities leading to new projects and the overall appreciation of real estate; however, due to economic conditions in 2010 which saw commercial valuations decrease throughout Des Moines, it is anticipated that future values will increase more slowly than was the case between 2000 and 2010.

The City will undertake future projects in conjunction with the private sector to enhance specific sites. In addition, the City will undertake cooperative projects with other governmental agencies to provide open space and other complementary services appropriate to the new development.

Shown below is a table projecting estimated incremental property tax revenues. The assumptions regarding the annual growth rate and the property tax levy available for increment uses are included in the table and are as follows:

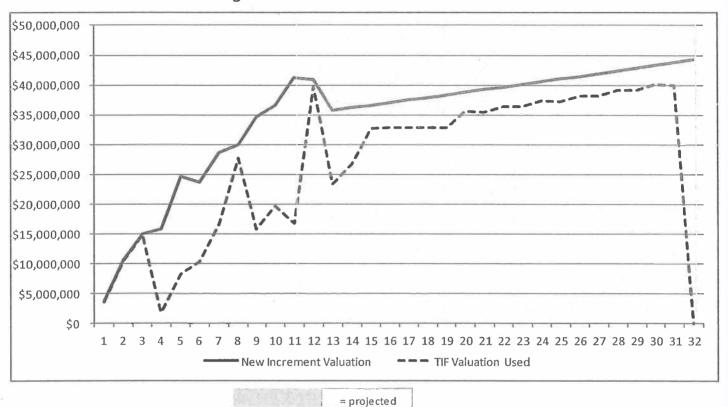
- Average Annual Increase in Assessed Value: .5% or as per minimum assessment agreement. The projected rate of annual increase -.5% -- is less than previous years because of the overall decreases in commercial valuations throughout Des Moines and anticipated slow growth in the immediate future.
- Property Tax Levy per \$1,000 available for TIF use (does not include debt levy portion): approximately \$40/\$1,000.
- The base valuation will increase in FY 2011/12 due to the addition of Subarea B and formerly tax-abated valuation becoming taxable.

Tax Fiscal Year	Base Valuation	Total Assess Valuation	New Increment Valuation	TIF Valuation Used
1999 - 2000	\$49,478,310	\$53,190,350	\$3,712,040	\$3,641,677
2000 - 2001	\$49,200,850	\$59,869,230	\$10,668,380	\$10,519,452
2001 - 2002	\$47,467,730	\$62,420,700	\$14,952,970	\$14,805,874
2002 - 2003	\$47,820,660	\$63,590,770	\$15,770,110	\$1,870,037
2003 - 2004	\$45,612,200	\$70,201,870	\$24,589,670	\$8,217,388
2004 - 2005	\$45,806,436	\$69,493,906	\$23,687,470	\$10,329,517
2005 - 2006	\$45,069,590	\$73,699,440	\$28,629,850	\$16,565,480
2006 - 2007	\$45,244,420	\$75,193,650	\$29,949,230	\$27,678,665
2007 - 2008	\$45,193,580	\$79,886,170	\$34,692,590	\$15,802,638
2008 - 2009	\$45,250,420	\$81,867,040	\$36,616,620	\$19,649,851
2009 - 2010	\$45,250,420	\$86,552,110	\$41,301,690	\$16,795,092
2010 - 2011	\$45,053,530	\$85,968,800	\$40,915,270	\$39,715,720
2011 - 2012	\$49,153,530	\$84,929,848	\$35,776,318	\$23,389,460
2012 - 2013	\$49,153,530	\$85,354,497	\$36,200,967	\$26,786,893
2013 - 2014	\$49,153,530	\$85,781,270	\$36,627,740	\$32,708,974
2014 - 2015	\$49,153,530	\$86,210,176	\$37,056,646	\$32,785,958
2015 - 2016	\$49,153,530	\$86,641,227	\$37,487,697	\$32,798,146
2016 - 2017	\$49,153,530	\$87,074,433	\$37,920,903	\$32,857,833
2017 - 2018	\$49,153,530	\$87,509,805	\$38,356,275	\$32,931,133
2018 - 2019	\$49,153,530	\$87,947,354	\$38,793,824	\$35,532,641
2019 - 2020	\$49,153,530	\$88,387,091	\$39,233,561	\$35,443,821
2020 - 2021	\$49,153,530	\$88,829,027	\$39,675,497	\$36,330,836
2021 - 2022	\$49,153,530	\$89,273,172	\$40,119,642	\$36,357,216
2022 - 2023	\$49,153,530	\$89,719,537	\$40,566,007	\$37,342,840
2023 - 2024	\$49,153,530	\$90,168,135	\$41,014,605	\$37,225,665
2024 - 2025	\$49,153,530	\$90,618,976	\$41,465,446	\$38,244,460
2025 - 2026	\$49,153,530	\$91,072,071	\$41,918,541	\$38,204,757
2026 - 2027	\$49,153,530	\$91,527,431	\$42,373,901	\$39,108,925
2027 - 2028	\$49,153,530	\$91,985,068	\$42,831,538	\$39,114,425
2028 - 2029	\$49,153,530	\$92,444,994	\$43,291,464	\$40,031,925
2029 - 2030	\$49,153,530	\$92,907,219	\$43,753,689	\$39,940,650
2030 - 2031	\$49,153,530	\$93,371,755	\$44,218,225	\$0
		= projected		

The column titled "TIF Valuation Used" includes the projected net annual payments on outstanding debt (including TIF-backed bonds and other contractual debt) of this urban renewal area, including an *estimate* of the obligations proposed to be incurred under this urban renewal plan.

The actual expenditure of the estimated expenditures may occur at a later date than is shown in this table, subject to the progress of the individual project which can be impacted by factors such as weather, construction, etc.

TIF Revenues and Uses from 1999-2032 SE AgriBusiness Urban Renewal Area



This information will change as future projects, subject to the urban renewal amendment process with the individual review of each amendment and projects by the City Council and other authorities as directed by the <u>Code of Iowa</u>, are approved.

Urban Renewal Plan Activities

The proposed SE AgriBusiness Urban Renewal Plan is a large area located generally between SE 14th Street extending to the eastern City boundary and from Dean Avenue southward to the Des Moines River.

The eastern portion of the urban renewal area is also designated as a State of Iowa Enterprise Zone, which allow for certain State tax incentives for non-retail businesses. The Enterprise Zone designation will be used in conjunction with the urban renewal plan to target the retention and expansion of various existing agri-businesses and to attract new agri-businesses to this area.

The proposed Fourth Amendment will add an additional 122 acres to the urban renewal area and add about \$3 million in taxable value to the "frozen base" value of the area after adjusting for property that is taxed directly by the State of Iowa (railroad properties) and the conversion of privately-owned property to roadway and other governmental uses (about \$500,000).

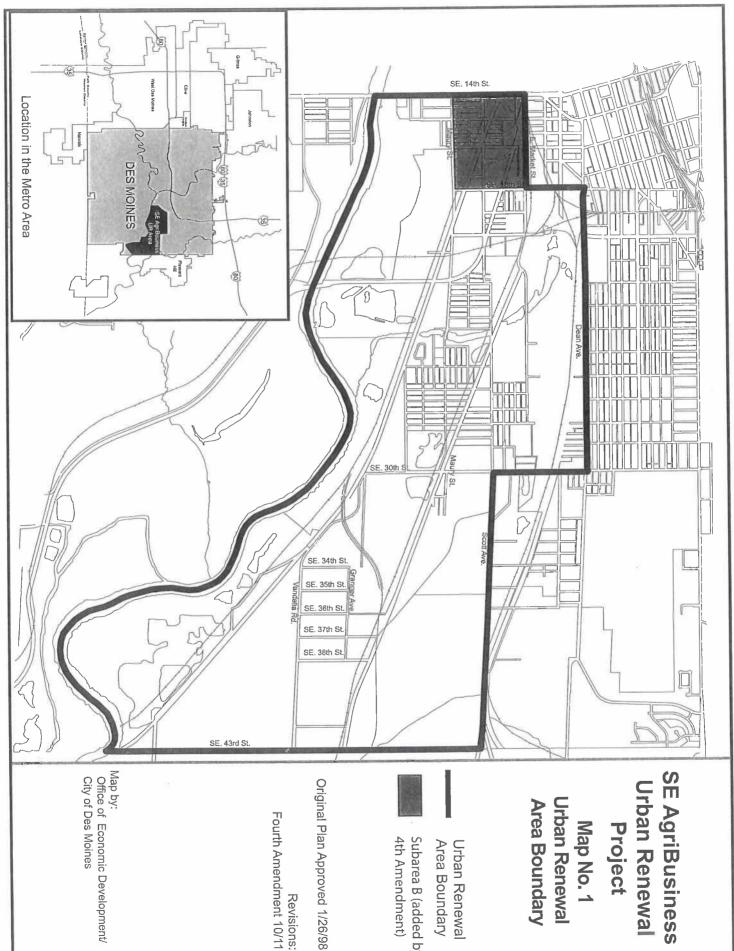
The amendment encompasses a number of projects that anticipate use of TIF on a cash-available and/or bond proceeds basis. These projects are:

- Acquisition of property, construction and furnishing for the first phase of 'Municipal Services Center' with total costs estimated at about \$18.5 million of which about \$15 million will be provided by TIF from this urban renewal area. In conjunction with this project, some temporary facilities related to City public works and parks operations may be undertaken using TIF as a funding source.
- Acquisition of property for Phase 2 as funds may be available.
- TIF revenues may also be used in conjunction with other sources of funding to construct or install other public infrastructure improvements such as stormwater structures, sewers and streets and as specifically approved by the City Council.

EXHIBIT B - AGRIMERGENT TECHNOLOGY PARK PLAN

This plan has been recorded in the files of the Polk County Recorder Office and can be found starting at: <u>Book 9200 Page 260</u>

Map Number	Title
1	Urban Renewal Area Boundary
2	City Recognized Neighborhoods within Urban Renewal Area
3	Existing Zoning
5	Area of Focused Redevelopment Activity - Agrimergent Technology Park
6	Acquisition Map
7	Disposition Map
8	Public Facilities and Improvements Assisted by TIF



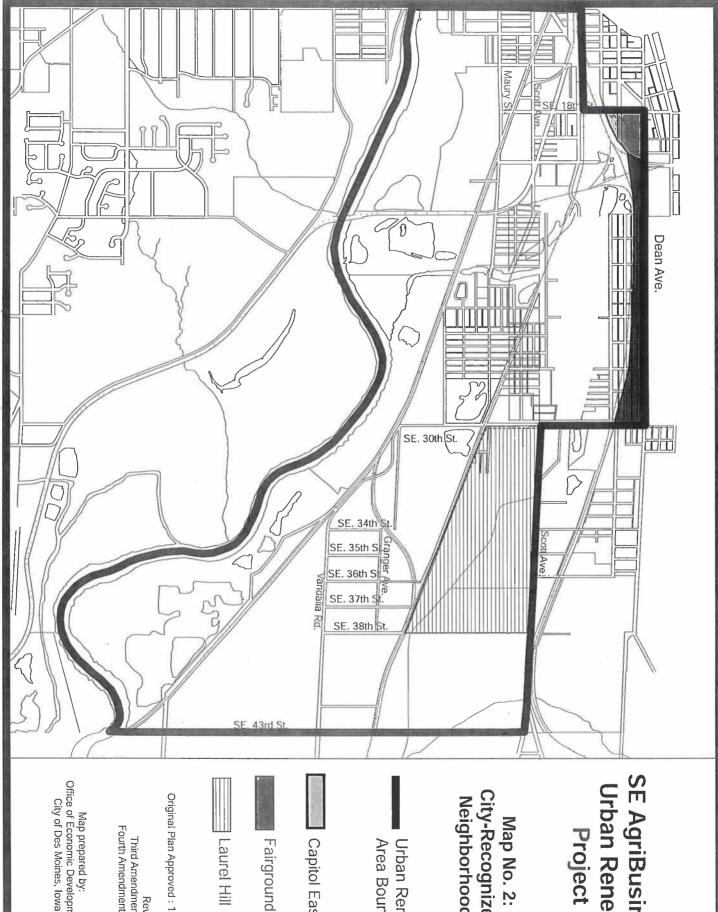
SE AgriBusiness Urban Renewal Project

Urban Renewal Area Boundary

Subarea B (added by Area Boundary Urban Renewal

Revisions: Fourth Amendment 10/11

Map by:
Office of Economic Development/
City of Des Moines



SE AgriBusiness **Urban Renewal**

City-Recognized Neighborhoods Map No. 2:

Urban Renewal Area Boundary



Capitol East



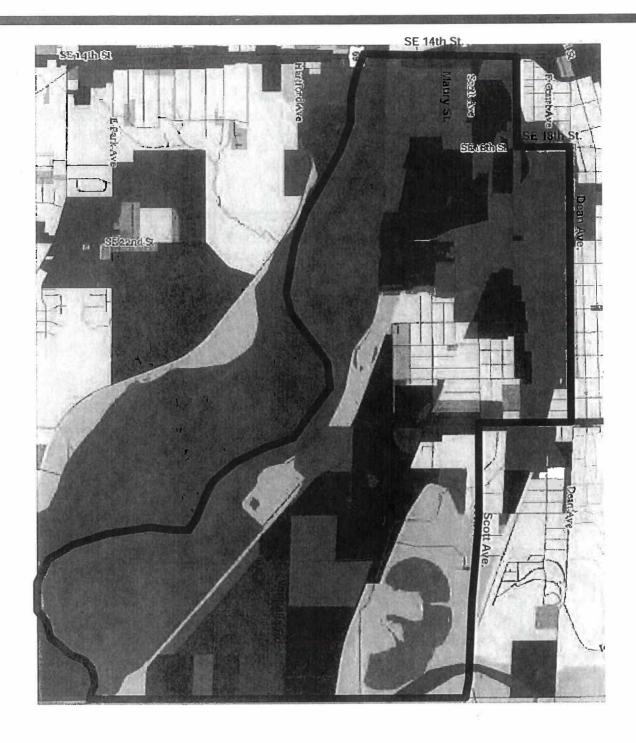
Fairgrounds



Original Plan Approved: 1/26/98

Revisions
Third Amendment 4-08
Fourth Amendment 10-11

Map prepared by:
Office of Economic Development
City of Des Moines, Iowa



SE. 43rd St.

F₩

 \subseteq 1

M-2

M- 1

C-2



Map prepared by: City of Des Moines Office of Economic Development

*This map is provided as an informative guide to zoning in the area; the official current zoning map is available from the Community Planning Dept. at 515-283-4180. Original Plan Approved: 1/98 Revisions
Third Amendment 4-08
Fourth Amendment 10-11

Urban Renewal Area Map No. 3

SE AgriBusiness

Existing Zoning as of 9-11*

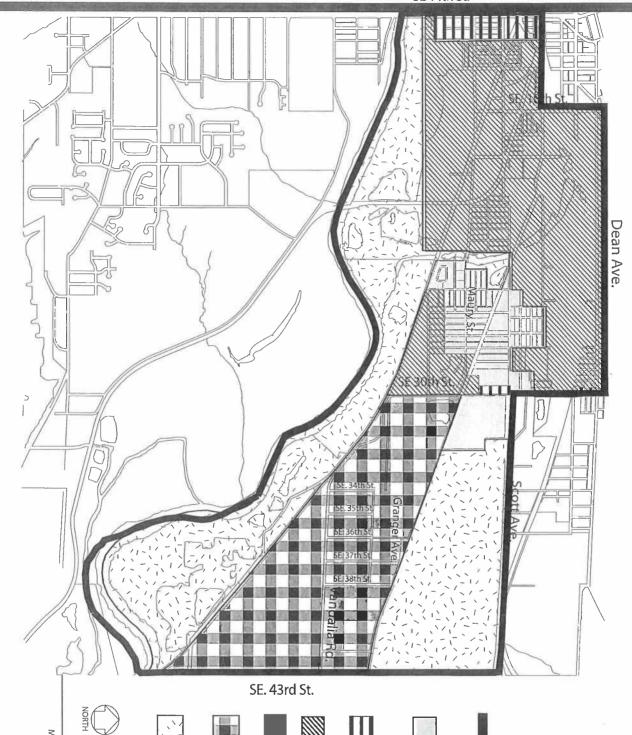
Urban Renerwal Area Boundary

PUD

R1-60

R2

R3



SE AgriBusiness Urban Renewal Area

Map No. 4:
Proposed
Future Land Uses

Urban Renewal Area Boundary







Industrial



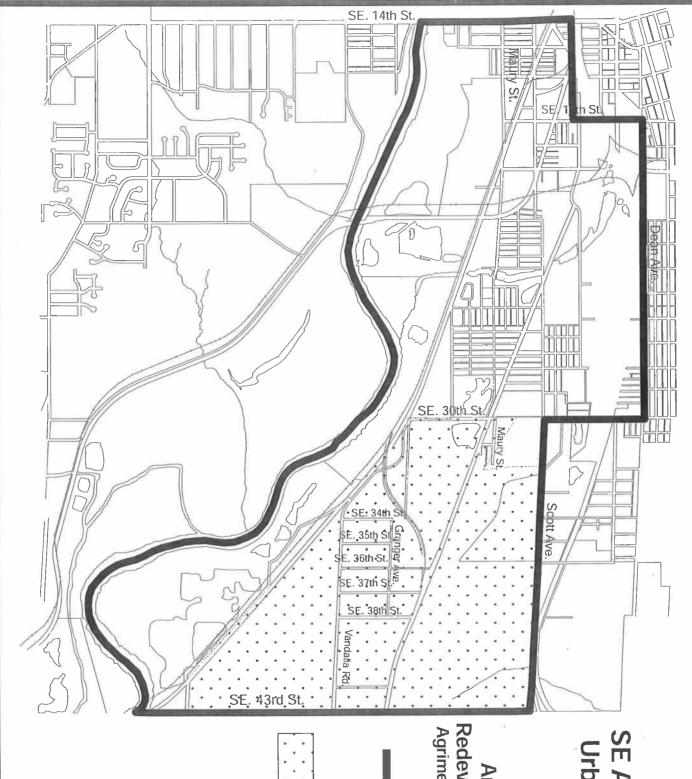
Planned Unit Development

Recreation/Open Space Public & Semi-Public/

Original Plan Approved: 1/98

Revisions Third Amendment: 4/08 Fourth Amendment 10/11

Map prepared by Office of Economic Development/ City of Des Moines, IA.



SE AgriBusiness Urban Renewal Project

Map No. 5
Area of Focused
Redevelopment Activity Agrimergent Technology Park

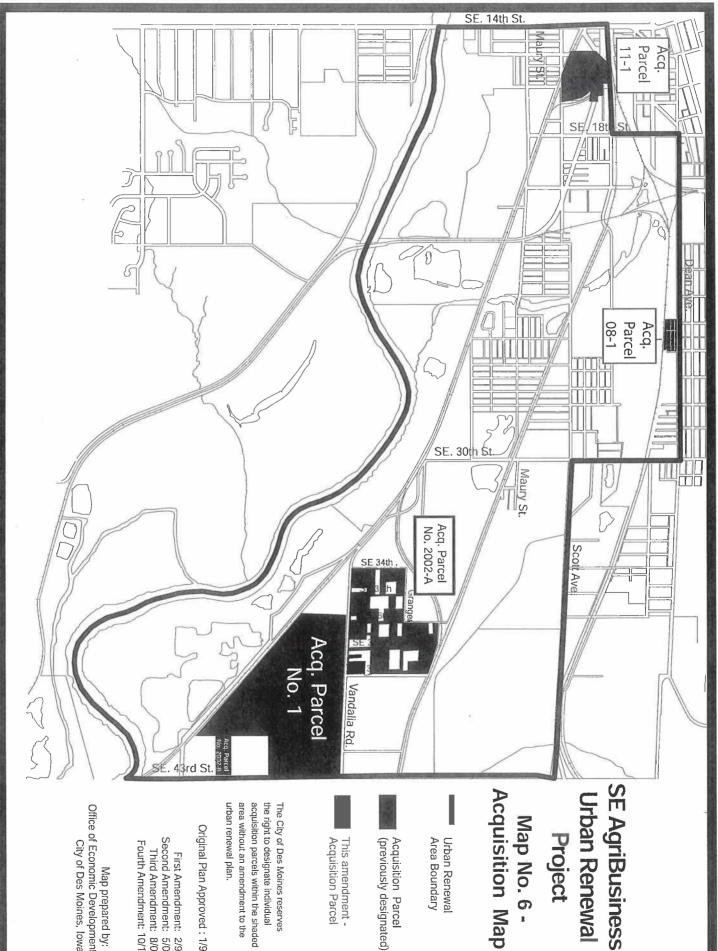
Urban Renewal Area Boundary

Agrimergent
Technology Park Focused Redevelopment
Activity Area

Original Plan Approved: 1/26/98

Revisions First Amendment: 5/02 FourthAmendment: 10/11

Map prepared by:
Office of Economic Development
City of Des Moines, Iowa



SE AgriBusiness Urban Renewal

Urban Renewal Area Boundary

Acquisition Parcel (previously designated)

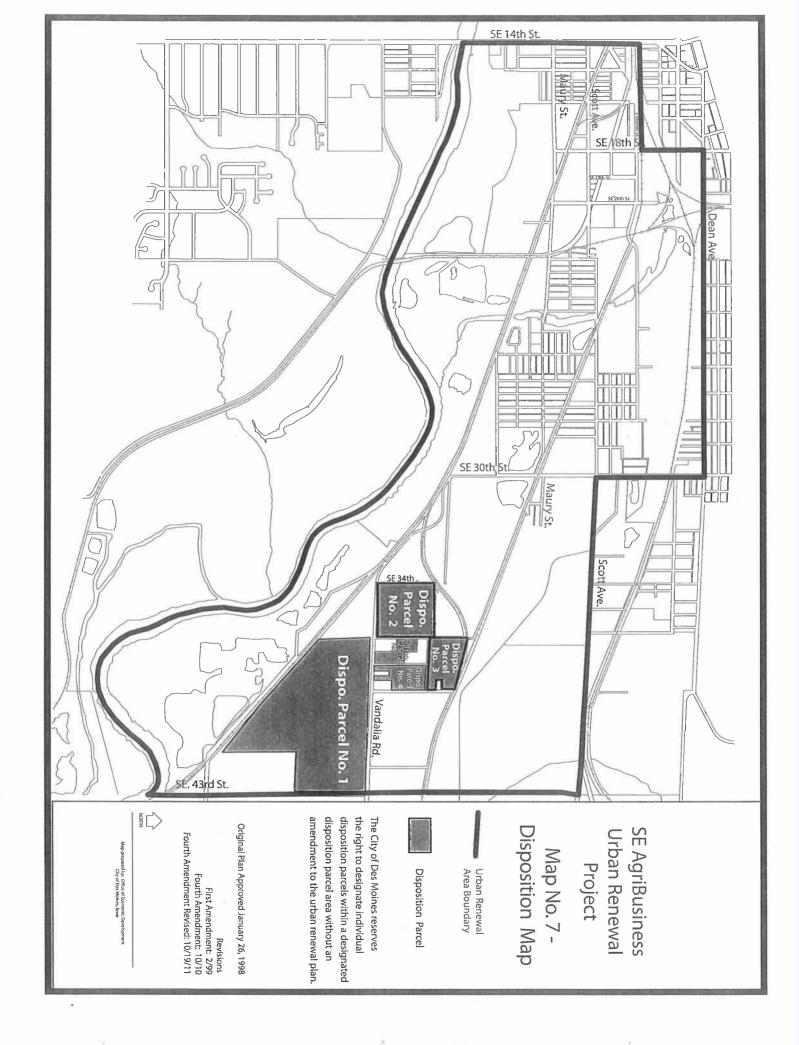
This amendment - Acquisition Parcel

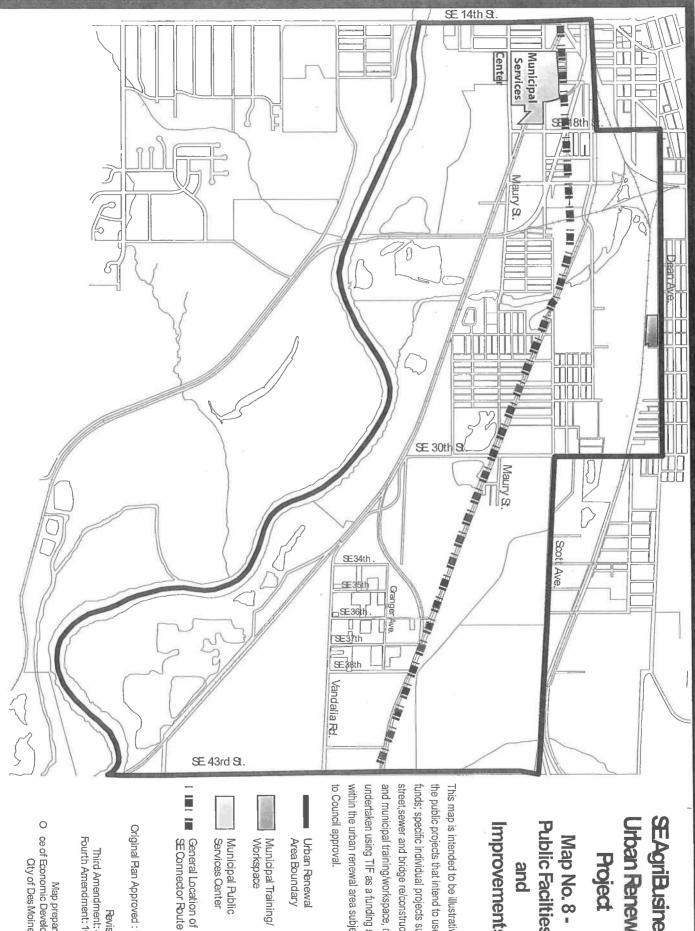
The City of Des Moines reserves area without an amendment to the the right to designate individual acquisition parcels within the shaded urban renewal plan.

Original Plan Approved: 1/98

First Amendment: 2/99
Second Amendment: 5/02
Third Amendment: 8/08
Fourth Amendment: 10/11

Map prepared by:
Office of Economic Development
City of Des Moines, Iowa





SEAgriBusiness Urban Renewal **Project**

Map No. 8 -Public Facilties **Improvements**

to Council approval. within the urban renewal area subject undertaken using TIF as a funding source and municipal training/workspace, may be the public projects that intend to use TIF street, sewer and bridge re/construction funds; specific individual projects such as This map is intended to be illustrative of

 Urban Renewal Area Boundary

Municipal Training/ Workspace

Municipal Public Services Center

Original Plan Approved: 1/98

Revisions
Third Amendment: 4-08
Fourth Amendment: 10-10

Map prepared by:
O ce of Economic Development
Oty of Des Moines, lowa

November 9, 2011

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 3, 2011, the following action was taken:

COMMISSION RECOMMENDATION:

After public hearing, the members voted 10-0 as follows:

Commission Action:	Yes	Nays	Pass	Absent
JoAnne Corigliano	X			
Shirley Daniels	X			
Jacqueline Easley	X			
Tim Fitzgerald	X			
Dann Flaherty	X			
John "Jack" Hilmes				X
Joel Huston	X			
Ted Irvine				X
Greg Jones				X
William Page	X			
Christine Pardee	X			
Mike Simonson	X			
Kent Sovern	X			
CJ Stephens				Χ

APPROVAL of the proposed Fourth Amendment to the Urban Renewal Plan for the SE AgriBusiness Urban Renewal Area in conformance with the Des Moines' 2020 Community Character Plan.

STAFF RECOMMENDATION TO THE P&Z COMMISSION

Staff recommends that the Commission find the Fourth Amendment to the Urban Renewal Plan for the SE AgriBusiness Urban Renewal Area in conformance with the Des Moines' 2020 Community Character Plan.

STAFF REPORT

I. GENERAL INFORMATION

The SE AgriBusiness Urban Renewal Area Plan and tax increment designation were approved for this area in 1998. On October 24, 2011, the City Council forwarded the proposed Fourth Amendment to the Plan and Zoning Commission for review and a determination as to whether the amendment is 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

The purpose of the Fourth Amendment to the Urban Renewal Plan for the SE AgriBusiness Urban Renewal Project is to update and restate the plan language and maps since its last amendment in October 27, 2008 on various items, including:

- Expand the existing urban renewal area with a 220 acre area bounded by Maury Street, East Market Street, Southeast 14th Street, and Southeast 18th Street.
- Various additions to text throughout the urban renewal plan reflect that new, welldesigned salvage yard operations which incorporate modern efficiencies, integrate best practices into operations and meet upgraded City standards for landscaping, screening and exceed other requirements may be considered an appropriate land use for the urban renewal area.
- Map 7(Revised) shows the addition of four Disposition Parcel Nos. 2-5 reflecting property the City has purchased for future redevelopment on the north side of Vandalia Road between SE 34th to SE 38th Street.

The SE AgriBusiness Urban Renewal Area was concurrently designated a tax increment area in January 1998. The "frozen" tax base was about \$49 million. Since then, there has been \$41 million in new tax base added, generating about \$1.64 million in TIF revenues annually. Upcoming acquisitions related to the Southeast Connector and the proposed municipal services campus will likely reduce this existing taxable base by adding land to the public sector. The City currently uses that revenue to pay off bonds issued for land acquisition and infrastructure installation. It is anticipated that future TIF revenues will continue to be targeted for the cost of public projects within the area, including planning, design, land acquisition and project construction.

II. DES MOINES' 2020 COMMUNITY CHARACTER PLAN

Chapter 1 of Des Moines' 2020 Community Character Plan is titled "Underlying Principals" and includes the following goals:

- Promote economic growth and efficiency.
- Create a livable community for several generations.
- Encourage growth in the existing city limits.

Chapter 5 of Des Moines' 2020 Community Character Plan is titled "Existing Character of Commercial Land Use" and includes the following goals:

- Heavy Industrial uses that operate with negative impact on their surroundings should be required to mitigate their impact. Negative impacts can sometimes be buffered with natural or built features to shelter surrounding areas from the most negative impacts.
- Engage in pollution clean up to be able to provide clean competitive sites for new industrial development and protection for the community.
- Encourage industrial development that provides a high density of jobs per acre.

Staff believes the amendment is in conformance with the goals of the Des Moines' 2020 Community Character Plan.

Furthermore, the Des Moines' 2020 Community Character Land Use Plan designates the property on the north side of Vandalia Road between SE 34th and SE 38th Street as

Planned Business Park. The proposed redevelopment at this location would be compatible with this designation.

SUMMARY OF DISCUSSION

There was no discussion

COMMISSION ACTION

<u>Kent Sovern</u> moved staff recommendation to find the Fourth Amendment to the Urban Renewal Plan for the SE AgriBusiness Urban Renewal Area in conformance with the Des Moines' 2020 Community Character Plan.

Motion passed 10-0

Respectfully submitted,

Michael Ludwig, AICP Planning Administrator

MGL:clw

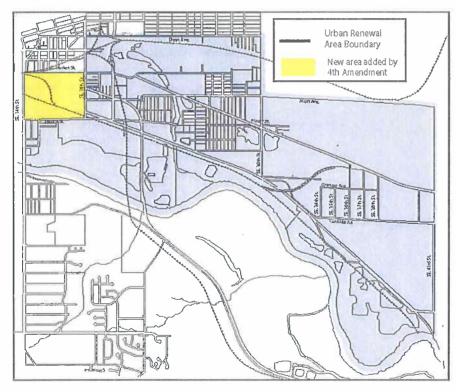
cc: File

November 3, 2011

Re: Report on Existing Conditions within the Proposed Area –Subarea B-- to be added to the SE AgriBusiness Urban Renewal Area

To the Honorable Mayor and City Council:

The City of Des Moines is proposing to designate an area, further described below, to the SE AgriBusiness Area Urban Renewal Area. In accordance with state law (Chapter 403, *Code of Iowa*), the City Council must determine by resolution that an area of the city contains conditions which qualify as a slum, blighted and/or economic development area before designating the area as an urban renewal area. The SE AgriBusiness Area was found to contain extensive slum/blight conditions as well as having economic development potential in accordance with the Code of Iowa at the time of its designation in 1998.



The approximate 120 acres area proposed for addition to the existing SE Agribusiness Urban Renewal Area, is referred to as Subarea B in this report.

Subarea B is shown in the yellow area on the map to the right with the existing SE Agribusiness Urban Renewal Area shown in gray.

Subarea B is located directly adjacent to the western portion of the SE Agribusiness Urban Renewal Area

Its general boundaries are

East to West: E. 14th to E. 18th St. and

North to South: E. Market St. to Maury St.

This report will address the existing slum/blight conditions and the potential for economic development in Subarea B to show it is appropriate to expand the SE AgriBusiness Urban Renewal Area with the addition of this area.

A. Slum/Blight Conditions

This report details the conditions which meet the State of Iowa-mandated requirements for declaring Subarea B as an area containing blight conditions. More specifically, Chapter 403.17(4) defines a 'blighted area' as:

... an area of a municipality within which the local governing body of the municipality determines that the presence of a substantial number of slum, deteriorated or deteriorating structures; defective or inadequate street layout; faulty lot layout in relation to size, adequacy,

Planning Administrator's Report --

Proposed Urban Renewal Designation for Subarea B to the SE AgriBusiness Urban Renewal Area

Page 2

accessibility, or usefulness; unsanitary or unsafe conditions; deterioration of site or other improvements; diversity of ownership, tax or special assessment delinquency exceeding the fair market value of the land; defective or unusual conditions of title; or the existence of conditions which endanger life or property by fire and other causes; or any combination of these factors; substantially impairs or arrests the sound growth of a municipality, retards the provision of housing accommodations, or constitutes an economic or social liability and is a menace to the public health, safety, or welfare in its present condition and use.

"Blighted area" does <u>not</u> include real property assessed as agricultural property for the purposes of property taxation; there is no property assessed as "agricultural" in Subarea B.

Building Conditions

The building condition ratings contained in the City Assessor's property records were reviewed to provide information on building and improvement conditions in the non-agriculturally-assessed portions of the proposed urban renewal area. The Assessor's condition rating system includes interior and exterior conditions of a structure and provides a correlation of building conditions to the tax base. Staff conducted a field visit to cross-check exterior conditions as shown by Assessor's rating; they concur with the Assessor's ratings that a large number of structures are in poor or very poor condition. Map 1 provides shows the location and condition of the residential and commercial building in Subarea B.

The data shows strong evidence of blighting conditions exist in residential and commercial/industrial use categories.

Item	Residential	Commercial/Industrial	Why is this blighting?
Number buildings in area	13	22	While the number of structures is not an absolute indicator, this information combined with lot size and the overall ratio of building-to-lot size/land size can show if the city's infrastructure investment is underused. In this case, 35 structures in a 220 acre area is indicative of underused and large amounts of yacant land.
Range of building size	589 - 1,128 square ft. / Average house size: 791 sq. ft.	1,272 to 213,577 sq. ft. Average building size: 18,887 sq. ft.	The size of the structures in this area tends to be small, especially for commercial/industrial usages. Othe than a single structure, the former Monfort plant at 1700 Maury St. which totals over 200,000 sq/ ft., most buildings in this area are under 20,000 sq. ft. which is an indication of underutilization for industrial uses which tend to require larger buildings.
Built before 1960:	13 (from 1890 to 1954)	5 (from 1930 to 2004)	Age of structure is generally indicative of obsolete technology, inadequate utilities, increased fire safety concerns, deferred maintenance and increased overall wear/tear on the structure.

Planning Administrator's Report --Proposed Urban Renewal Designation for Subarea B to the SE AgriBusiness Urban Renewal Area

Page 3

Item	Residential	Commercial/Industrial	Why is this blighting?
Assessor rating <u>Condition</u> Very Poor Poor Below Normal Normal Above Average Excellent Value range for structure	# properties 4 1 6 2 0 0 \$2,400 - \$58,000; average of \$24,200.	#properties 0 4 8 10 0 0 \$400 - \$658,000; average of \$101,000. Note the convenience store at 724 SE14 th St. – is the highest assessed value property in the area and accounts for about 16% of the total	Why is this blighting? The physical condition of the structure, which is reviewed on a regular basis by the assessor's office, shows two-thirds of the building stock in below normal or worse condition. This overall poor condition of the building stock further limits development potentia and investment interest in the area. The overall building value is quite low for both residential and commercial/industrial uses. The lac of value is indicative of the lack of investment, modernization and no new development in the area.
Lot size (lot defined by tax parcel designation by assessor)	4,440 to 16,000 square feet	commercial building assessment for Subarea B. 437 to 580,000 square feet (almost 12 acres.)	Appropriately-sized lots for commercial and industrial use are important in retaining existing companies; often, potential future expansion is limited by multiple ownership of adjoining lots. In addition, many lots in this area are odd shapes due to the former railroad rights-of-way that bisected property to provide rail service.
Value range for land per sq ft.	from $41 - 76$ cents /sq ft.	from 11 cents to – \$2.36 /sq ft.	The overall land values in this area are considerably lower than in many other commercial and industrial areas in Des Moines.
Total land area occupied by category use	about 115,000 sq. ft. which is about 2% of the total land area	about 1.5 million sq. ft. or about 30% of the total land area	The underutilization of land represents an on-going cost to the municipality that has installed expensive utilities and other
Building :Land Ratio	Building to land ratio is not appropriate measure because residential is a non-conforming grandfathered use and the remaining small number of residential structures will continue to decline due to age and overall condition.	Building to land ratio: 13% (for every about every 8 sq. ft,. of land., there is one sq. ft. of building)	infrastructure based on a higher density and usage rates.

Building Conditions Summary:

Residential: Because the area is zoned for commercial and industrial uses, the homes in this area are a non-conforming, grandfathered use that cannot be replaced in the future. The very few residential structures located in this area are small in size and in poor condition as evidenced by site inspection and assessor records; almost 90% of the homes are rated "below normal" or worse which is a clear sign of blight.

Commercial: The few commercial structures located in this area and in below normal/poor condition as evidenced by site inspection, assessor records and are low valued with the exceptions of a single commercial building (a convenience store) located on SE14th St., a high traffic volume arterial street. The number of buildings rated in 'poor' or 'very poor' condition exceeds 55% which is a strong indicator of blighted conditions.

Pictures showing area commercial and residential buildings are attached as Exhibit A. Maps 1 shows the locations of structures in Subarea B and the individual building condition as determined by the assessor.

Vacant Land

Using the assessor's records for properties in Subarea B, about 69 acres (about 60%) are vacant. The assessed value of the vacant land is less than \$6,000/acre or about 13¢/square foot.

Map 3 show the location of vacant land in Subarea B combined with the building condition data. All property north of Scott Street is vacant or if there are buildings, the buildings are in "below normal" or worse condition. The area south of Scott Street is a mixture of building conditions with the residential uses being "below normal" or worse interspersed with tracts of vacant land and commercial structures in normal condition.

Defective or Inadequate Street Layout

Subarea B has a limited street network. The lack of internal connecting streets is due in large part to the salvage yard operations that have spilled over onto public streets and rights-of-way as well as some streets exist as "paper" streets in which they have been platted but never constructed.

Street Conditions:

Street conditions in Subarea B range from narrow dirt pathway with no curbs to portland concrete for Scott Avenue, Maury Street and SE 14th Street which are major trafficways.

The majority of trafficways have been maintained by the City as "asphalt stabilized" which has a short-term life span of 3-5 years. While an asphalt-stabilized street initially has a hard surface, it is breaks and crumbles within one-two years of installation and does not have good durability when used by large trucks which is common in this area. As a result, many of the streets used in this area, both by residents and businesses, are in substandard condition. Most existing streets in this area are inadequate in design for the moderate to heavy truck traffic which is reflected in the poor roadway conditions.

Street Circulation Patterns:

Many of the streets shown on various subdivision plats are "paper" streets which have never been constructed. As a result, access and ability to circulate is limited within the area. The small number of access points also make it difficult to get to and from other areas within Des Moines.

Sidewalks

There is less than 500 lineal feet of sidewalk in this area.

Unsafe, Unsanitary Conditions - Environmental Concerns

Air Quality:

The existing food processors within the Subarea B previously generated citizen and neighborhood complaints which are received by the City's odor control system. If more than 10 complaints are received in a six hour period, an odor alert is issued. The City's environmental staff responds to determine the odor source and work with the responsible party to mitigate the odor as quickly as possible. The frequency of complaints and alerts has been reduced over time since this system was created. The history of these continued air quality violations and the fact that many of these conditions still exist demonstrates a threat to the public health, safety, and welfare and deters new development from locating in this area.

Ground and Sub-Surface Conditions:

Some locations within this area are subject to surface flooding due to low surface ground elevations and the large amounts of water arriving through natural bodies of water as well as inadequate storm water collections systems from developments in higher elevation areas. Primary water bodies associated with this surface flooding are the Dean's Lake Chain.

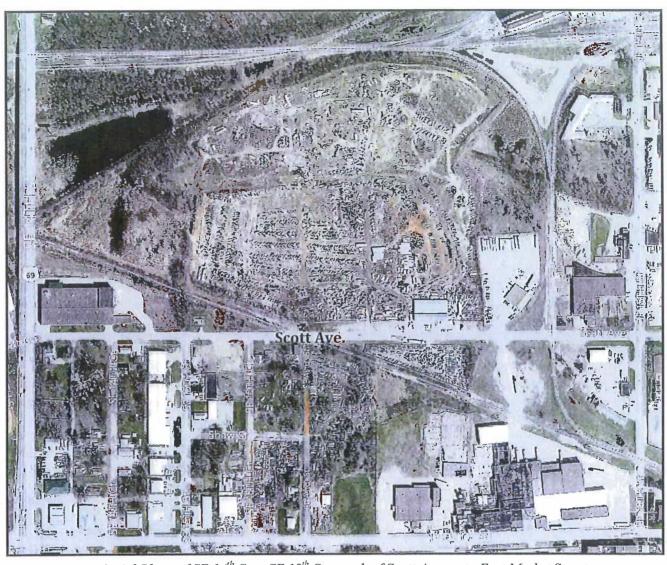
Another environmental concern is the presence of LUST (<u>Leaking Underground Storage Tank</u>) sites within the proposed addition to urban renewal area. The Iowa Department of Natural Resources maintains a registration system of these sites. While there are no registered LUST locations in this area, it is very likely there are sites containing leaking petroleum tanks which are not registered or identified in the area.

The area primarily contains industrial uses which for the most part are low value salvage yard operations as well as considerable tracts of vacant property owned by railroad companies.

In addition, the salvage operations have attracted dumping of autos near the businesses on public right-of-way; it is unclear how much of the problem of vehicles on right-of-way is due to the salvage yard operations or from people abandoning vehicles. In either case the result is unsightliness and potential environmental problems. Unscreened, unsightly salvage operations also encourages trash dumping in the area.

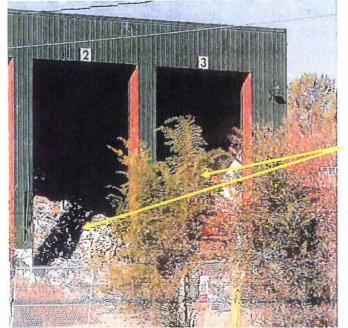
The salvage yard operations within this area are believed to have surface and subsurface contamination from lead, petroleum and other chemicals associated with these businesses as vehicle bodies are disassembled. The presence of this potentially large-scale contamination discourages redevelopment.

The following aerial picture taken in 2010 shows the overall extent of salvage operations in Subarea B. There is one very large operation north of Scott Avenue (Carroll Auto Wrecking and Salvage), and several smaller operations south of Scott Avenue.



Aerial Photo of SE 14th St to SE 18th St., north of Scott Avenue to East Market Street

Source:: Bing [http://www.bing.com/maps/explore]



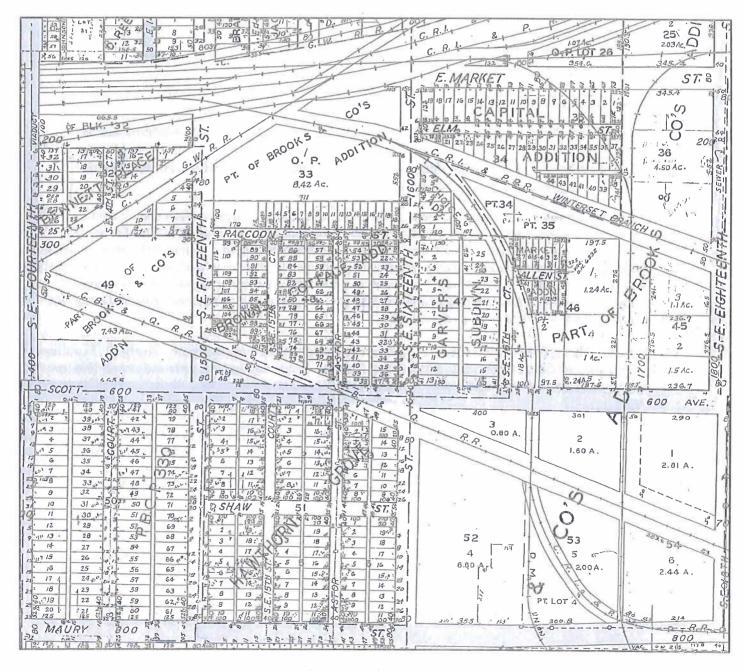
One property – a 50,000+ sq. ft. warehouse located at 1422 Scott Street –currently contains a substantial amount of asbestos-containing construction materials that were accumulated in 2007/2008 by a now-defunct construction debris recycling facility. This picture shows the open dock doors and materials spilling out of its multiple dock doors.

This property has been in litigation for the past 4 years over its ownership and the responsibility party(ies) for remediation of the hazardous materials, which is estimated in excess of \$100,000 by the Iowa Department of Natural Resources. This property is a major health and safety hazard.

Platting and Ownership Issues

As can be seen in the plat map of Subarea B below, there are numerous plats in the area dating from the 1920s with boundaries based on physical features such as trees or railroad trackage that no longer exist. In addition, many of the lots (with 25 or 30 foot widths) created by these older subdivisions are not developable today under current zoning standards.

Railroad track is located throughout the area often bisecting potentially developable properties and isolating parcels from access to public streets. With the abandonment of various trackages, the opportunity exists to create new commercial and industrial subdivisions which will meet current standards.



Some of the lack of area development is also due to land that is not appropriate for development due to factors such as low ground elevation, etc.

There are incompatibilities between existing land uses in Subarea B. Historically, the most serious conflicts have been between heavy industrial development, such as meat packing and related industrial plants, many of which were built in the early 1900s, with the adjacent residential development which was located close to these industrial areas for the workers in those industries. The City undertook a major residential relocation project in Subarea B to allow residents to relocate voluntarily from various industrial areas. These federally-funded programs were offered in the SE 14th Ct.-Astor St. area in the late 1970s and early 1980s; most residents accepted the offers and moved away from this area. The current zoning does not include any residential use; Map 3 provides the zoning for the area.

Economic Development Potential

Chapter 403.17(9) defines 'an economic development area' for urban renewal plan purposes as. . . . :

... an area of a municipality designated by the local governing body as appropriate for commercial and industrial enterprises.......

The proposed urban renewal area has excellent potential for land intensive, higher valued commercial and industrial development. There are nearly 45 acres of available vacant land (this number does not include the land the City will be using for the SE Connector Roadway and Municipal Service Center) that could accommodate commercial and industrial uses, subject to infrastructure improvements, as well as approximately 30 acres of land used for extensive salvage operations that may be used more efficiently. Vacant land and land extensive uses generate lower property values. In addition, widespread blight has often precluded reinvestment in existing commercial and industrial properties which further contributes to a decline in property values.

The City has made a substantial investment in general area infrastructure improvements. Nearly \$175 million has been invested in a state-of-the-art Wastewater Reclamation Facility. Industrial capacity water and sewer lines have been installed that make this the only area in metropolitan Des Moines that can accommodate the needs of large volume water and sewer users.

The City has received design approval and is working to complete the first phase of the SE Connector Roadway, a 4 lane roadway that will extend from MLK Parkway at SE 14th Street to SE 30th St. This roadway will eventually connect to the Highway 65/69 Bypass which provides a 'ring road' on the east and south sections of the metro area. Map 5 shows the location of the SE Connector Roadway with the first phase of construction to occur in Subarea B.

A major new municipal project known as the Municipal Service Center has been proposed for location in Subarea B. The initial phase of the project will be for the acquisition of about 15 acres of property for the construction of a facility that will provide a single location to consolidate Public Works, Engineering, and Park and Recreation Departments operations. This will replace multiple, and sometimes duplicative equipment and facilities; in the long run, it will allow the City to deliver services more effectively and efficiently with overall lower operational and maintenance costs. In addition, the location of this facility will improve the area in appearance, add a significant number of year-round employees to the area's employment which tends to be variable due to the commodity-based nature of existing businesses and serve as a redevelopment catalyst.

In May 1997, the Enterprise Zone Act (EZ) was signed into law to promote economic development in economically distressed areas throughout Iowa. This legislation prompted the City to designate an AgriBusiness Enterprise Zone and

apply to the State for certification in July 1997. The AgriBusiness Enterprise Zone encompasses all of the Southeast AgriBusiness urban renewal area and additional land from Scott to Dean Avenues and SE 30th to SE 43rd Streets. Map 6 shows the location this enterprise zone.

The State certified the AgriBusiness Enterprise Zone in August 1997 and received recertification of the area which extends the incentives available to 2017. Businesses may obtain a special package of state tax incentives by locating or expanding in the zone. Incentives include job training, investment, and research and development tax credits as well as refund of sales, service and use taxes paid on materials used, including utilities, in construction contracts. Tax abatement may be offered by local government.

Revitalization of this area for commercial and industrial development is timely due to the amount of available vacant land, new utility and highway infrastructure, highly-valued State tax incentives and an organized grassroots effort from existing agribusinesses to expand value-added agricultural enterprises. The urban renewal designation will allow the City to conduct additional activities that will enhance long-term development opportunities.

Summary

The proposed subarea proposed for addition to the SE AgriBusiness Urban Renewal Area contains many conditions, previously described in this report, which have a negative impact on the area and have deterred development.

The combination of existing conditions -- older industrial development, large amounts of vacant and under-utilized land not platted to current subdivision requirements as well as being landlocked from public right-of-ways, actual and potential environmental contamination -- constitute major deterrents to the continued growth of Des Moines.

These existing conditions provide significant reasons for me to recommend the proposed area to be added to the existing urban renewal area to be "blighted" as defined by the urban renewal statute. I also recommend the area be designated as an "economic development" area that is appropriate for the development of commercial and industrial enterprises

I recommend the City Council adopt a resolution of necessity which makes the determination that the proposed new area to be added to the existing SE Agribusiness Urban Renewal Area be determined to be a "blighted area". I also recommend the entire new area also be designated as an economic development area that is appropriate for the development of commercial and industrial enterprises.

Respectfully Submitted,

Michael Ludwig, AICP Planning Administrator

Attachments:

- -- Exhibit A Pictures of Area
- -- Map 1 Building Conditions 2011
- -- Map 2 -- Map Showing Vacant Land and Building Conditions
- -- Map 3 Existing Zoning
- -- Map 5 Location of SE Connector Roadway
- -- Map 6 SE Agribusiness Enterprise Zone for State of Iowa

After Recording Return To:
City of Des Moines
Office of Economic Development
400 Robt. Ray Drive
Des Moines, Iowa 50309

Prepared by: Andrea Hauer, Office of Economic Development – City of Des Moines 400 Robert Ray Dr. Des Moines, Iowa 50309 515-237-1350

Fourth Amendment to the Urban Renewal Plan

for the

SE AgriBusiness Urban Renewal Area

Urban Development Board Action:	/11
Plan and Zoning Commission Action	/11
Taxing Entities Consultation:	10/19/11
City Council Approval:	/11

HISTORY

The Urban Renewal Plan for the SE AgriBusiness Urban Renewal Project was adopted on January 26, 1998 by Roll Call No. 98-275. The SE AgriBusiness Urban Renewal Plan and its subsequent amendments have been recorded in the land records of the Polk County Recorder as follows:

Amendment	Roll Call No.	Adopted Date	Recorded Book	Beginning at Page
Urban Renewal Plan	98-275	1/26/98	7817	399
First Amendment	99-756	3/15/99	8167	460
Second Amendment	02-1589	6/17/02	9200	260
Third Amendment	08-1882	10/27/08	12281	340

PURPOSE

The primary purposes of the Fourth Amendment to the Urban Renewal Plan for the SE AgriBusiness Urban Renewal Project is to:

- Add an area to the urban renewal area of about 120 acres bounded by E. Market St. on the north, E. 18th St. on the east, Scott Ave. on the south and E. 14th St. on the west.
- Update all maps to include the newly-added area which shall be the location of the new Municipal Services Center and the Southeast Connector Roadway. Further revise property acquisition, property disposition, zoning, proposed land use and public improvement maps for actions relating to the Municipal Services Center and to reflect changes to these maps since the urban renewal plan was last amended in 2008 by the Third Amendment. The acquisition map designates various private properties for potential future purchase by the City for Municipal Services Center expansion. The public improvements map shows the locations of a future Municipal Services Center and the Southeast Connector Roadway project route.
- Amend Project Proposals to provide for the acquisition, construction and equipping of a City of Des Moines Municipal Services Center which will serve multiple purposes for the various departments including the Park and Recreation, Public Works and Engineering Departments and to update and restate language relating to Project Proposals;
- Update the Financial Condition Report to update anticipated use of tax increment funds in the future for property acquisition for various public and private development projects, construction of a municipal services park and related activities.
- Replace the current plan and amendments with a restated plan document that incorporates all changes and revisions up to and including the Fourth Amendment.

More specifically, changes to the urban renewal plan are:

- A. Text revisions throughout to reflect the newly-added area, its size, and location.
- B. Replacement of the following maps with these maps as attached to this amendment. Each map notes it is amended as a revision and shows the date of the revision as "10-11."

Мар	Revision and Additions
Map No. 1 – Urban Renewal Area Boundary	Amend urban renewal boundary to include property located in an area bounded by E. Market St. on the north, E. 18 th St. on the east, Scott Ave. on the south and E. 14 th St. on the west to the urban renewal area
Map No. 2 – City- Recognized Neighbohoods	Revised to reflect the new urban renewal area boundary
Map No. 3 — Existing Zoning	Revised to reflect the new urban renewal area boundary and current zoning as of the date of this amendment.
Map No. 4- Proposed Future Land Uses	Revised to reflect the new urban renewal area boundary and the current approved Comprehensive Plan Map.
Map No. 5- Area of Focused Redevelopment Activity	Revised to reflect the new urban renewal area boundary
Map 6-Acquisition Map	Revised to reflect the new urban renewal area boundary and potential acquisition of property by the City of Des Moines located generally north of Maury Street between SE 15 th and SE 18 th Streets.
Map No. 7- Disposition Map	Revised to reflect the new urban renewal area boundary and add Disposition Parcel Nos. 2-5 (between SE 34 th and SE 38 th St. on north side of Vandalia Road).
Map No. 8: Public Facilities & Improvements	Revised to reflect the new urban renewal area boundary and to amend map to plan to identify public projects that may utilize tax increment funds; 1. Municipal Services Park Center: a multi-phased project located on the north side of Maury Street approximately between SE 14 th Street eastward to SE 18 th Street, bounded by the proposed Southeast Connector Roadway project on the north. 2. Southeast Connector Roadway Project: a multi-lane divided roadway extending from the portion of M L King Jr. Parkway at SE 14 th Street to SE 43 rd Street in Des Moines where it will continue eastward into Pleasant Hill and connect to U.S. Highway 65.

oxt	Item	
cre	ALCIIL	

Found in Plan at:

Addition of background information with updates

[text to be added as last paragraph to "Infrastructure" heading]

• Southeast Connector Roadway Project: This project received final design approval for its location and configuration in 2010; the roadway is located in a more northerly location than initially planned earlier in the decade. Acquisition for the first phase of the new multi-lane, major arterial roadway connecting the Martin Luther King, Jr. Parkway terminus at SE 14th Street to the Vandalia Road/US 65 Bypass interchange began in 2011. The Southeast Connector, which will cost an estimated \$125 million, will provide the City a safe, efficient and direct route from downtown to the US 65 Bypass and help spur economic development along the corridor.

[text to be added after final paragraph]

The City purchased a 166 acre tract of vacant land located on the south side of Vandalia Road extending from about SE 36th St. to SE 43rd St. in 2000 and then obtained funding to provide high capacity water and wasterwater capacity to the site. In 2006, the City entered into a redevelopment agreement with Vision Fuels for the construction of an ethanol refinery operation on a 160 acre parcel located on the south side Vandalia Road. The project did not proceed and in 2009, the agreement was terminated. As of 2011, this property continues to be leased on annual basis for farming operations.

Salvage Yard Operations:

The area has historically been the location for many automotive salvage operations ranging in size from a single lot to many acres. In the past 10 years, the City has acquired about 50 acres of property located on the north side of Vandalia Road located between SE 33rd to SE 38th Streets which were primarily older, inefficient smaller salvage yard operations. With these acquisitions, many of the most visible blighted properties with significant numbers of city code violations are no longer in operation within the Agrimergent Park boundaries.

In 2011, the City Council authorized acquisition of a major salvage yard headquartered at 1610 Scott Street. This large operation of over 30 acres which is quite visible from the western boundary of this urban renewal area from the SE 14th St. viaduct, will be, in part, used for a portion of the Southeast Connector Roadway project with the remaining portion of the site as the location for the first phase of the new Municipal Services Center.

Chapter II. Background (various paragraphs)

New planned salvage yard operations that incorporate modern best practices that include consolidation of operations, more efficient use of land, better quality landscaping and screening and furthers the objectives of this urban renewal plan may be an appropriate land use for the area.	
Municipal Services Park Master Plan: In 2011, the City Council approved the Municipal Services Park Master Plan which provides recommendations, guidelines and plans for the future development of various facilities and space needs to house and deliver various City services in an efficient and effective manner. The location of the first phase facilities was selected in 2011 with construction anticipated to start in 2012; the initial facility is anticipated to cost over \$18 million.	
[new language italicized]	
Amend the following statement to provide for installation of public infrastructure and construction of public buildings.	Chapter III. Plan Objectives (introductory
The objectives listed below will assist in implementing these principles through making land ready for public improvements and redevelopment by private entities by acquisition, clearance, environmental remediation, installation of public infrastructure improvements, construction of public buildings and implementation of appropriate public incentives to attract private investment.	paragraphs)
[new language italicized]	
Add the following relating to salvage yards. 5. Discourage the development and/or expansion of existing salvage yards that are a blighting influence and are inconsistent with the development objectives of this urban renewal plan. New planned salvage yards that incorporate modern, best practices including efficient use of land and protect against blight may be encouraged.	Chapter III. Plan Objectives: Section C. Land Use, Items 5 and 9
9. Review and update existing zoning regulations and standards to reflect contemporary standards and evaluate the conditional permitted use process <i>including salvage yards</i> .	8 7
[new language italicized]	i.
Delete "Southeast Diagonal Highway" and replace with "Southeast Connector Roadway" so sentence reads as follows: 2. Develop new roadways such as the proposed <i>Southeast Connector Roadway</i> to improve access to and from the area.	Chapter III. Plan Objectives: Section D. Traffic Circulation
[new language italicized]	

Amend general location language and the legal description to add the area bounded by E. Market St. on the north, E. 18th St. on the east, Scott Ave. on the south and E. 14th St. on the west to the urban renewal area. The new area that is being added shall be known as Subarea B with the original area to be known as Subarea A.

Chapter IV Legal Description - Sections A and B

A. GENERAL LOCATION

The SE AgriBusiness Urban Renewal Area is generally bounded by:

- Maury E. Market Street between SE 14th Street and SE 18th Street; Dean Avenue between SE 18th Street and SE 30th Street; and Scott Avenue between SE 30th Street and SE 43rd Street (eastern City limits) on the north;
- SE 43rd Street (City limits) on the east;
- The centerline of the Des Moines River on the south; and
- SE 14th Street on the west.

B. LEGAL DESCRIPTION

The SE AgriBusiness Urban Renewal Area is legally described as follows:

Combined Description for Subarea A and Subarea B

Beginning at a point at the intersection of the westerly extension of the North right-of-way line of Market Street and the center line of SE 14th Street; thence East along the westerly extension and along the North right-of-way line of Market Street to the West right-of-way line of Southeast 18th Street; thence North along the West right-of-way line of Southeast 18th Street and East 18th Street and its northerly extension to the North right-ofway line of Dean Avenue; thence East along the North and its northerly extension of the right-of-way line of Dean Avenue and its easterly extension to the East right-of-way line of East 30th Street; thence South along the East right-of-way line of East 30th Street to the North right-of-way line of Scott Avenue; thence East along the North right-of-way line of Scott Avenue and continuing along the North right-of way line of Parkridge Avenue and its easterly extension to the east corporate boundary of the City of Des Moines; thence South along the east corporate boundary of the City of Des Moines to the thread of the Des Moines River; thence westerly and northwesterly along the thread of the Des Moines River to the centerline of SE 14th Street; thence North along the centerline of SE 14th Street to the Point of Beginning, all now included in and forming a part of the City of Des Moines, Polk County, Iowa. (Approximately 3,274 acres)

A. Subarea A (Original Area)
[no changes made to current legal description]

B. Subarea B (The area added to Subarea A, the original SE AgriBusiness Urban Renewal Area, by the Fourth Amendment to the Urban Renewal Plan Area):

Beginning at a point at the intersection of the westerly extension of the North right-of-way line of Market Street and the centerline of SE 14th Street; thence East along the westerly extension and along the North right-of-way line of Market Street to the West right-of-way line of Southeast 18th Street; thence South along the West right-of-way line of Southeast 18th Street to the North right-of-way and westerly extension line and its westerly extension of Maury Street; thence West along the North right-of-way line of Maury Street to the centerline of SE 14th Street; thence North along the centerline of SE 14th Street to the Point of Beginning, all now included in and forming a part of the City of Des Moines, Polk County, Iowa. (Approximately 122 acres)

[new language to be added is italicized]

Amend the following statement to include "public works, parks, engineering" as additional examples of provision of public services:

3. Provision of public services. The City will provide and coordinate appropriate levels of public services throughout the redevelopment project area to support and encourage achievement of plan objectives. These services may include police, fire, health, *public works, parks, engineering,* social, recreation, counseling and other types of services. Additionally, the City may take administrative actions which expedite the review of and action on development proposals.

[new language italicized]

Amend the following statement to incorporate the Southeast Connector Roadway Project:

9. a. Street system: A plan and program will be prepared to improve existing street systems, provide better connections between north-south streets and maintain good access to arterial roadways such as Maury Street, Vandalia Road and Southeast 30th Street. Additional improvements, such as the <u>Southeast Connector Roadway</u>, a multi-lane divided roadway with various interchanges, extending from the portion of M L King Jr. Parkway at SE 14th Street to SE 43rd Street in Des Moines where it will continue eastward into Pleasant Hill and connect to U.S. Highway 65. interchanges to relocated U.S. Highway 65, to connect the area to major roadways will also be implemented.

Chapter VI. Project Proposals –Section A.3

Chapter VI. Project Proposals –Section A.9.a.

[new language to be added is italicized] [words shown with 'strike-through' are to be deleted]	
Delete the following paragraph from the standards which redevelopers must meet: Redevelopers will not be permitted to defer the start of construction for a period longer than that required to prepare architectural and engineering plans, secure satisfactory financing, complete the review and approval of such plans by the City in order to establish their conformance with the disposition documents and for any additional time period the City explicitly deems acceptable (such as for planned developments or inclement weather): [words shown with 'strike-through' are to be deleted]	Chapter VI. Project Proposals –Section A.7. (third paragraph
Add new subsection "e" providing that the City may acquire, construct and equip a "Municipal Services Center" for use by various City departments for materials, equipment, storage, maintenance, offices and related facilities relating to Departments of Parks and Recreation, Public Works and Engineering functions.	Chapter VI. Project Proposals –Section A.9.e
e. Acquisition, Construction and Equipping of a Municipal Services Center to provide cost-effective facilities for materials, equipment, storage, maintenance, offices and related functions in a single location that allows the City to operate more efficiently in its delivery of various City services by the Public Works, Engineering and Park and Recreation Departments and with sufficient space to accommodate expansion and allow for a comprehensive long-term approach for future space needs. This proposed facility will be located on property currently used for auto salvage operations as identified on Map 6-Acquisition Map and Map 8-Public Facilities and Specific Public Improvements. Such proposed facility shall have an attractive appearance that will improve the surrounding area and establish activity and an employee presence at the site on a daily basis. The City's rights to exercise eminent domain related to this public improvement project are based on the general public purposes of the City that are reasonable and necessary as an incident to the general powers and duties of the City.	
[new language to be added is italicized]	
Revise the Financial Condition Report (Exhibit A) to reflect the potential for net TIF financial expenditures of up to \$18 million (principal) to: - undertake acquisition, relocation, disposition, planning,	Exhibit A: Financial Condition Report

equipping and construction of infrastructure, public improvements and related activities for the Municipal Services Center for an amount up to \$18 million;

- provide for the addition of Subarea B to the original urban renewal area; and
- provide for economic development assistance to Kemin Industries, Inc. for expansion of its corporate headquarter facilities located at 2100 Maury St.
- update the overall projections and use of the tax increment revenues since the last revision in 2008.

Fourth Amendment

Replace the current adopted urban renewal plan and amendments and replace with the attached "<u>Restated Urban Renewal Plan for the SE AgriBusiness Urban Renewal Area with First, Second, Third and Fourth Amendments included.</u>"

Restated Urban Renewal Plan for the SE AgriBusiness Urban Renewal Area

with First, Second, Third and Fourth Amendments included

Des Moines, Iowa

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Urban Development Board Review //11

Plan & Zoning Commission Review //11

City Council //11

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		Approved by
Мар	Title	Most Recent
Number		Amendment #
1	Urban Renewal Area Boundary	4th
2	City Recognized Neighborhoods within Urban Renewal Area	4th
3	Existing Zoning	4th
4	Proposed Future Land Uses	4th
5	Area of Focused Redevelopment Activity - Agrimergent Technology Park	4th
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7	Disposition Map	4th
8	Public Facilities and Improvements Assisted by TIF	4th

I. INTRODUCTION

The City of Des Moines recognizes a large portion of Southeast Des Moines offers an unparalleled opportunity to develop businesses which add value to agriculturally-related products through production and to expand the existing agribusiness base. The designation of this area as an urban renewal area will assist in creating new business development and employment opportunities for Des Moines.

Low value, low density development exists in the proposed SE AgriBusiness Urban Renewal Area. Currently, a majority of the area is characterized as blighted which includes substandard and deteriorated buildings, vacant and overgrown properties, large-scale trash dumping, potential environmental contamination, inadequate infrastructure, obsolescent street patterns, unpaved streets, and fragmented land ownership.

As of 1997 when this urban renewal plan was being created, development has not occurred on a large scale due to lack of sufficiently-sized developable parcels, inadequate internal infrastructure and widespread blight.

The City of Des Moines has determined it must make a concerted and coordinated effort to encourage long-term private investment in this area. The City of Des Moines will conduct the urban renewal actions specified in this plan pursuant to the powers granted to it under state law (Chapter 403, *Code of Iowa*) to achieve its goal of realizing the area's full development potential by eliminating blight and overcoming obsolescence.

Map 1 shows the boundaries of the SE AgriBusiness Urban Renewal Area, about 3,272 acres, and its general location in the Des Moines area. The SE AgriBusiness Urban Renewal Area encompasses the former Southeast Industrial Relocation Renewal Project, the former Vandalia Acres Urban Renewal Project and additional properties. In all cases, this urban renewal plan and amendments supersede previously-adopted urban renewal plans and amendments for property located in the SE AgriBusiness Urban Renewal Area.

The SE AgriBusiness Urban Renewal Area is also designated by the Des Moines City Council as a tax increment finance (TIF) district in accordance with the *Code of Iowa* (Section 403.19) and Ordinance No. 13,576 and as amended.

The City will focus redevelopment activities by private entities in the Agrimergent Technology Park. The Agrimergent Technology Park is located west of Southeast 43rd Street, south of Scott Avenue, east of Southeast 30th Street and north of the Burlington Northern Railroad, is more specifically shown on Map 5. The Agrimergent Technology Park will be dedicated to attracting and expanding value-added agricultural enterprises.

II. BACKGROUND

Previous Urban Renewal Activity:

The City previously designated several small urban renewal areas within the SE AgriBusiness Urban Renewal Area in the 1970s and early 1980s. The primary purpose of those earlier urban renewal areas was the voluntary acquisition of residential properties within industrially-zoned locations. Although the City currently owns about 38 acres from these residential acquisitions, it has not been actively involved in acquiring or conveying these now-vacant properties due, in part, to the scattered sites in various locations and small size of the acquired parcels. Those earlier urban renewal areas were terminated by separate action taken concurrent with the adoption of this Plan.

Neighborhoods:

At this time, there are portions of several residential neighborhood organizations within the urban renewal area as shown on Map 2 - City of Des Moines Recognized Neighborhoods which are:

Neighborhood	Location of neighborhood within the urban renewal area
Capitol East	Small portion located primarily south of Dean Ave. and east of E. 18 th St.
Fairgrounds	Small portion located primarily south of Dean Ave. and east of E. 20^{th} St. extending to SE 30^{th} St.
Laurel Hill	Portion located south of Scott Ave. from SE 30 th to SE 38 th Sts.

Each of these neighborhoods is "Recognized" by the City Council; it has met specified minimum standards and is contacted by the City to provide information and direction on the neighborhood to City boards, commissions and other groups.

The Capitol East neighborhood is also a "Designated" neighborhood with an adopted Action Plan addressing neighborhood issues and plans for the future. Capitol East has received funding for residential, commercial redevelopment and rehabilitation projects from a variety of sources including the Neighborhood Finance Corporation.

The City will continue to work with these and other future designated neighborhoods in the urban renewal area to minimize potential conflicts between new non-residential development and existing area neighborhoods.

Infrastructure:

Since 1990, substantial investment has been made in this area in targeted public infrastructure improvements.

- About \$4 million for a 30" water main and a 54" sanitary sewer line.
- The Wastewater Reclamation Facility, a secondary sewage treatment facility, was constructed in the early 1990s. This \$120 million plant, which meets current federal standards, is designed to address current and future wastewater treatment needs in a cost effective manner. It presently operates at about 50% capacity. Substantial new manufacturing and research and development uses

can be built in this area due to the available capacity. This area, with its close location to the wastewater treatment plant, is the *only* location in the metropolitan area that can accommodate the needs of large volume users in a cost-efficient manner.

- Relocated U.S. Highway 65, a \$125 million highway designed to interstate standards, is ½ mile east of the proposed urban renewal area. This roadway connects directly to I-80 in north Des Moines and to the U.S. Highway 65/69. This interstate-standard road also connects directly to Interstate 35.
- Southeast Connector Roadway Project: This project received final design approval for its location and configuration in 2010; the roadway is located in a more northerly location than initially planned earlier in the decade. Acquisition for the first phase of the new multi-lane, major arterial roadway connecting the Martin Luther King, Jr. Parkway terminus at SE 14th Street to the Vandalia Road/US 65 Bypass interchange began in 2011. The Southeast Connector, which will cost an estimated \$125 million, will provide the City a safe, efficient and direct route from downtown to the US 65 Bypass and help spur economic development along the corridor.

Enterprise Zone:

In May 1997, the Iowa Legislature adopted legislation that provides for the designation of 'enterprise zones' in areas that meet specific economic distress criteria. The intent of the legislation is to promote development in economically distressed areas throughout Iowa. Businesses (excluding retail) that locate or expand in a state-certified Enterprise Zone may obtain a special package of state tax incentives which include job training, investment, research and development tax credits as well as a refund of sales, service and use taxes paid on materials used in construction within the zone.

The City of Des Moines has received Enterprise Zone certification to 2017 for the AgriBusiness Enterprise Zone that includes the SE AgriBusiness Urban Renewal Area.

Agrimergent Technology Park

On December 3, 2001, the Des Moines City Council adopted the Des Moines Agrimergent Technology Park Plan, attached hereto as Appendix B, and authorized the City Manager to implement that plan. The Des Moines Agrimergent Technology Park Plan is a master plan for high quality development of the portion of the urban renewal area designated as the Agrimergent Technology Park and identified in Map 5.

The 1,100-acre Agrimergent Technology Park is being designed to offer agribusinesses and related industries a unique environment in which to develop inter-industry linkages and to capitalize on the area's agribusiness advantages. The Park will be developed in stages over 15-20 years. The Agrimergent Technology Plan estimated the new development will add \$420.4 million in tax base when built-out and create nearly 6,500 jobs.

The City purchased a 166 acre tract of vacant land located on the south side of Vandalia Road extending from about SE 36th St. to SE 43rd St. in 2000 and then obtained funding to provide high capacity water and wasterwater capacity to the site. In 2006, the City entered into a redevelopment agreement with Vision Fuels for the construction of an ethanol refinery operation on a 160 acre parcel located on the south side Vandalia Road. The project did not proceed and in 2009, the agreement was terminated. As of 2011, this property continues to be leased on annual basis for farming operations.

Salvage Yard Operations:

The area has historically been the location for many automotive salvage operations ranging in size from a single lot to many acres. In the past 10 years, the City has acquired about 50 acres of property located on the north side of Vandalia Road located between SE 33rd to SE 38th Streets which were primarily older, inefficient smaller salvage yard operations. With these acquisitions, many of the most visible blighted properties with significant numbers of city code violations are no longer in operation within the Agrimergent Park boundaries.

In 2011, the City Council authorized acquisition of a major salvage yard headquartered at 1610 Scott Street. This large operation of over 30 acres which is quite visible from the western boundary of this urban renewal area from the SE 14th St. viaduct, will be, in part, used for a portion of the Southeast Connector Roadway project with the remaining portion of the site as the location for the first phase of the new Municipal Services Center.

New planned salvage yard operations that incorporate modern best practices that include consolidation of operations, more efficient use of land, better quality landscaping and screening and furthers the objectives of this urban renewal plan may be an appropriate land use for the area.

Municipal Services Center Master Plan:

In 2011, the City Council approved the Municipal Services Center Park Master Plan which provides recommendations, guidelines and plans for the future development of various facilities and space needs to house and deliver various City services in an efficient and effective manner. The location of the first phase facilities was selected in 2011 with construction anticipated to start in 2012; the initial facility is anticipated to cost over \$18 million.

III. PLAN OBJECTIVES

The SE AgriBusiness Urban Renewal Area encompasses a sizeable under-developed area in Southeast Des Moines. It contains a large number of underutilized and vacant properties that contribute minimally to the City's tax base.

The objectives of creating this urban renewal area are to construct public improvements and create and sustain development in a healthy, high quality environment that will help generate an increased tax base, retain and create livable wage jobs, and improve the appearance of the area.

Development projects of private entities which utilize urban renewal assistance shall meet standards based on principles which acknowledge the basic functions of research and development, manufacturing and other industrial uses while protecting existing residentially-zoned areas from negative impacts.

The objectives listed below will assist in implementing these principles through making land ready for public improvements and redevelopment by private entities by acquisition, clearance, environmental remediation, installation of public infrastructure improvements, construction of public buildings and implementation of appropriate public incentives to attract private investment.

A. GENERAL

- 1. Create and preserve an environment to protect the health, safety, general welfare and quality of life of City residents as well as maintain and increase taxable values and good quality employment in the area.
- 2. Encourage the elimination of vacant and under-utilized parcels, substandard and obsolescent buildings, blighting influences and environmental deficiencies which detract from the functional unity, aesthetic appearance and economic vitality of this important part of Des Moines. Construct public improvements and establish conditions to attract new investment and prevent the recurrence of blight.
- 3. Target acquisition activities for private redevelopment to the Agrimergent Technology Park identified in Map 5 to help assemble parcels adequate in shape and size for development in accordance with contemporary requirements and standards.

B. ECONOMIC DEVELOPMENT

- 1. Provide for the orderly expansion of appropriate and diverse service, manufacturing and industrial uses in Des Moines.
- 2. Encourage and support development which enhances and makes the best possible

use of public facilities, resources and investments.

- 3. Ensure the area is adequately served with public utilities and services to support contemporary development requirements.
- 4. Provide incentives to overcome development constraints to assure successful redevelopment projects.
- 5. Undertake 'good neighbor' agreements with individual businesses as needed to ensure that new development creates a positive impact on adjoining residential areas and provides for responsible community growth.

C. LAND USE

- 1. Ensure that streets, open spaces, building setbacks and other features are designed to high standards of efficiency, effectiveness and aesthetics.
- 2. Provide sites to accommodate the construction of public improvements and to accommodate the construction of offices, office/distribution centers, manufacturing facilities, research and development operations, other agribusiness functions and related support services in productive and attractive campus-style environments in close proximity to each other.
- 3. Encourage intensive, coordinated development of public improvements and of commercial, industrial, agribusiness and related facilities to assure efficient and effective use of available land and investments.
- 4. Minimize future pollution by remediating environmentally-contaminated sites and by taking appropriate enforcement action to curtail the illegal dumping that has been occurring in the area.
- 5. Discourage the development and/or expansion of existing salvage yards that are a blighting influence and are inconsistent with the development objectives of this urban renewal plan. New planned salvage yards that incorporate modern, best practices including efficient use of land and protect against blight may be encouraged.
- 6. Incorporate existing wetlands into site design; if conversion of wetlands is necessary, encourage on-site mitigation.
- 7. Where feasible, retain and protect healthy hardwood trees over 8" in diameter to enhance aesthetics of the area. Provide standards that emphasize intensive high quality landscaping for publicly and privately-owned properties.
- 8. Provide for adequate buffer and transition areas between existing residential and non-residential uses.

9. Review and update existing zoning regulations and standards to reflect contemporary standards and evaluate the conditional permitted use process including salvage yards.

D. TRAFFIC AND CIRCULATION

- 1. Make improvements to the street system to facilitate traffic flow, especially along SE 30th Street and Vandalia Road, and improve circulation into and around the Maury Street corridor.
- 2. Develop new roadways such as the proposed Southeast Connector Roadway to improve access to and from the area.
- 3. Encourage the coordinated construction of public improvements and development by private entities of parcels and structures to achieve efficient building design and provision of adequate parking, truck loading and service access.
- 4. Ensure that sites are sufficiently sized to accommodate installation of rail spur lines along the Burlington-Northern and Norfolk-Southern Railroad trackage.

IV. LEGAL DESCRIPTION

A. GENERAL LOCATION

The SE AgriBusiness Urban Renewal Area is generally bounded by:

- East Market Street between SE 14th Street and SE 18th Street; Dean Avenue between SE 18th Street and SE 30th Street; and Scott Avenue between E 30th Street and SE 43rd Street (eastern City limits) on the north;
- SE 43rd Street (City limits) on the east;
- The centerline of the Des Moines River on the south: and
- SE 14th Street on the west.

B. LEGAL DESCRIPTION

The SE AgriBusiness Urban Renewal Area is legally described as follows:

Combined Description for Subarea A and Subarea B

Beginning at a point at the intersection of the westerly extension of the North right-ofway line of Market Street and the center line of SE 14th Street; thence East along the westerly extension and along the North right-of-way line of Market Street to the West right-of-way line of Southeast 18th Street; thence North along the West right-of-way line of Southeast 18th Street and East 18th Street and its northerly extension to the North right-of-way line of Dean Avenue; thence East along the North and its northerly extension of the right-of-way line of Dean Avenue and its easterly extension to the East right-of-way line of East 30th Street; thence South along the East right-of-way line of East 30th Street to the North right-of-way line of Scott Avenue; thence East along the North right-of-way line of Scott Avenue and continuing along the North right-of way line of Parkridge Avenue and its easterly extension to the east corporate boundary of the City of Des Moines; thence South along the east corporate boundary of the City of Des Moines to the thread of the Des Moines River; thence westerly and northwesterly along the thread of the Des Moines River to the centerline of SE 14th Street; thence North along the centerline of SE 14th Street to the Point of Beginning, all now included in and forming a part of the City of Des Moines, Polk County, Iowa. (Approximately 3,274 acres)

A. Subarea A (Original urban renewal area)

Beginning at the intersection of the westerly extension of the North right-of-way line of Maury Street and the West line of the Northwest 1/4 of Section 11, Township 78

North, Range 24 West of the 5th P.M.; thence East along the westerly extension and along the North right-of-way line of Maury Street to the West right-of-way line of Southeast 18th Street; thence North along the West right-of-way line of Southeast 18th Street and East 18th Street and its northerly extension to the North right-of-way line of Dean Avenue: thence East along the North right-of-way line of Dean Avenue and its easterly extension to the East right-of-way line of East 30th Street; thence South along the East right-of-way line of East 30th Street to the North right-of-way line of Scott Avenue; thence East along the North right-of-way line of Scott Avenue and the easterly extension of the North right-of-way line of Scott Avenue to the East Corporate Boundary of the City of Des Moines, Polk County, Iowa; thence South along the East Corporate Boundary of the City of Des Moines to the thread of the Des Moines River; thence westerly and northwesterly along the thread of the Des Moines River to the intersection of the West line of the Southwest 1/4 of Section 11, Township 78 North, Range 24 West of the 5th P.M.; thence North along the West line of said Section 11 to the Point of Beginning; all now included in and forming a part of the City of Des Moines, Polk County, Iowa (Approximately 3,152 acres)

B. Subarea B (The area added to Subarea A, the original SE AgriBusiness Urban Renewal Area, by the Fourth Amendment to the Urban Renewal Plan Area):

Beginning at a point at the intersection of the westerly extension of the North right-of-way line of Market Street and the centerline of SE 14th Street; thence East along the westerly extension and along the North right-of-way line of Market Street to the West right-of-way line of Southeast 18th Street; thence South along the West right-of-way line of Southeast 18th Street to the North right-of-way and westerly extension line and its westerly extension of Maury Street; thence West along the North right-of-way line of Maury Street to the centerline of SE 14th Street; thence North along the centerline of SE 14th Street to the Point of Beginning, all now included in and forming a part of the City of Des Moines, Polk County, Iowa. (Approximately 122 acres)

The full right-of-way of streets and public ways within or along the above description shall be included within the plan area.

V. PROPOSED LAND USE PLAN

A. CURRENT ZONING AND LAND USE

The major zoning categories in the urban renewal area are:

Use	Zoning Designation		
Residential	R1-60, R-2 and R-3		
Commercial	C-2		
Industrial	M-1 and M-2		
Recreation and Open Space	U1 and FW		

A majority of the urban renewal area is zoned and used for light and heavy industrial uses. Major land use categories to be retained or encouraged in this urban renewal area are described below.

It is the City's intention not to enlarge or create any additional large-scale residentially zoned areas within the urban renewal area. At this time, the only zoning change contemplated is designation of the Agrimergent Technology Park, or portions thereof, as a Planned Unit Development (PUD) or Planned Business Park (PBP) at a future time. Existing zoning is shown on Map 3 - Existing Zoning.

The proposed land use plan concepts for this urban renewal plan, shown on Map 4 - Proposed Future Land Uses, is in conformance with the City's adopted land use plan. It is anticipated a future amendment may be made to the adopted land use plan for the frontage area currently designated as "Residential" located along Southeast 30th Street, east of Scott Avenue and extending south by about ½ mile, may be amended to "Commercial" to provide support for existing and future needs of residents and employees.

The City updated its comprehensive plan. Issues impacting this urban renewal area were evaluated in the review of the comprehensive plan. There are no conflicts between the comprehensive plan and this urban renewal plan.

It is intended that all principal trafficways will be retained. However, the specific location and design of streets are subject to refinement and modification to meet traffic engineering and design requirements.

B. LAND USE PROVISIONS (Standards and Controls)

Provisions and requirements related to each of the land use categories that will be encouraged in this urban renewal area are as follows. These land use categories are to be used as a general guide to assist the City in decisions related to land uses in the area such as rezoning requests, conditional use permits, and for projects with discretionary standards such as Planned Unit Developments and urban-renewal assisted properties.

The general locations of these land use categories are shown on Map 4 - Proposed Future Land Uses. References to the "Ordinance" are to the <u>City of Des Moines Zoning Ordinance</u>.

Use	Function	Permitted Uses	Standards and Controls
Commercial	Commercial uses that support the needs of employees and residents of the area.	As per the "C-2" District regulations in the City Zoning Ordinance.	Location of facility should be appropriate to the site and minimize conflicts with adjacent uses.
Planned Business Park & Planned Unit Development	Management, research, design, marketing, manufacturing and production facilities.	Business uses that are beneficial to the community. Residential uses not permitted.	Flexible standards for development to incorporate 'best possible' practices in site and building design while enhancing the environment.
Limited Industrial	Non-nuisance industrial uses located near residential areas.	Manufacturing, assembling, processing and other industrial processes.	Large lots with landscaped grounds and ample provision of off-street parking and loading for selected industries. Additional information on site design found in 2A-22 (M-3 Limited Industrial) of the Ordinance.
Residential	Single-family and multi-family housing.	As per the City Zoning Ordinance. No large-scale expansion of residentially- zoned areas.	Any new development should be serviced by City sanitary sewer and water mains and hard-surfaced streets. If located in area of known flooding or high groundwater table, structures shall be elevated according to floodplain requirements and stormwater impacts on adjoining properties mitigated.
Public and Semi-Public (includes Recreation and Open Space)	For civic and public uses to provide for public, cultural, institutional, recreational, open space, wetlands, and conservation/preservation uses.	Public, semi-public and other uses for educational, cultural, recreational, governmental or other activities strongly vested with public importance. Supportive and commercial uses accessory and incidental to the primary use located on the same property are permitted.	Design and construction materials should be appropriate to the site and uses. Innovative design approaches are encouraged to preserve natural features.

VI. PROJECT PROPOSALS

- A. The City of Des Moines shall take actions necessary to achieve the objectives of this plan. These actions may include but not be limited to the following:
 - 1. Continuing planning. The City will continue efforts to assess and respond to the problems, needs and opportunities of the project area through additional technical studies, through the preparation of more detailed plans, through discussions with property owners, prospective developers, citizens, and public officials, and through various engineering, economic, design, and related studies. This effort may result in the publication, from time to time, of additional reports, regulations and guidelines, project plans, or other documents which aid in defining the objectives of this plan.

The City will also participate in planning efforts with other public and private interests which will further help to accomplish plan objectives. The City will be responsible for reviewing planning proposals and for coordinating such proposals so as to implement the objectives of this plan. It will take the initiative to bring zoning and other regulations and plans for public facilities into conformance with the 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 occupants of the project 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 plan.
- 3. <u>Provision of public services</u>. The City will provide and coordinate appropriate levels of public services throughout the redevelopment project area to support and encourage achievement of plan objectives. These services may include police, fire, public works, parks, engineering, health, social, recreation, counseling and other types of services. Additionally, the City may take administrative actions which expedite the review of and action on development proposals.

4. Funding.

a. The City will actively pursue sources of funding which will assist in the achievement of plan objectives. This may include but is not limited to bond issues, loans, grants, general fund expenditures, tax increment financing, special assessments, participation in federal programs, joint exercises with other units of government, cooperation and coordination in joint development mixed-use projects with private and public agents, sale of property or services, revenue financing, tax abatement and solicitation of developer offerings.

- b. The division of revenue from taxation pursuant to *Code of Iowa* §403.19 shall be deemed an element of the Plan. Tax increment funding shall be available for project proposals and activities.
- c. 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. <u>Preparation of land for redevelopment</u>. The City will undertake a variety of actions to help prepare land for redevelopment, including construction of public improvements, which may include:
 - a. Acquisition of properties. Specific properties to be acquired are designated on Map 6-Acquisition Map. Map 6 may be amended from time to time to designate properties for acquisition. The properties to be acquired will be identified through a process involving additional planning, analysis and a process of review and amendment as set forth in Section VIII. Property may be acquired in the project area for the following purposes:
 - (1) To remove buildings which are structurally substandard.
 - (2) To eliminate vacant and under-utilized parcels and to remove uses or buildings which are exerting a blighting influence on the area. Such blighting influences include, but are not limited to, the following:
 - (a) Incompatible land-use relationships.
 - (b) Buildings which are obsolete by virtue of location, size, design, damage, mechanical or electrical systems, or other features which inhibit their effective and economic use or which deter achievement of plan objectives.
 - (3) To remove conditions of platting or other conditions of land ownership which inhibit assembly and sound development.
 - (4) To provide sites and rights-of-way required to accommodate needed public improvements or facilities and to assure adequate design of such facilities.
 - (5) To assemble open, vacant or underutilized land to accommodate new development, to overcome problems of diversity of ownership, economic disuse, unsuitable topography and/or faulty layouts and to achieve coordination in the development of the project area with other parts of Des Moines.

- (6) To assure conformance of property to the urban renewal plan, property rehabilitation standards and/or local codes or ordinances.
- (7) To acquire sites for development/redevelopment as a home office or regional office facility for a multi-state business in furtherance of the objectives of this plan.
 - b. Site preparation. The City may clear property of structures and other improvements in preparation for redevelopment. The City may also undertake other related activities, such as environmental testing and remediation, to facilitate development.
 - c. The City may advertise for and solicit development proposals, negotiate with prospective developers and dispose of all or a portion of the rights to property to public or private agents for the purpose of redevelopment in accordance with the objectives of this plan. Property rights to be disposed of may include those acquired under subsection 5.a described above and/or street rights-of-way and other lands in public ownership not needed for a public purpose. Specific properties to be disposed of are identified on Map 7- Disposition Map.
 - d. The City may subdivide, vacate, re-subdivide, or otherwise change the recorded arrangement of property under its control to accomplish the objectives of this plan.
- 6. <u>Relocation</u>. The City may assist in the relocation of residents and businesses displaced by public action. If the City provides relocation assistance, displaced residents and businesses may be provided with the opportunity of relocation to accommodations which are decent, safe, sanitary and within their financial means in accordance with established relocation practices.
- 7. Establish requirements for redevelopers. In consideration of efforts to be made by the City in furthering the development and redevelopment of the project area, developers and redevelopers will be required to observe the requirements of this urban renewal plan. Where land acquisition, the use of public funds and/or the undertaking of public improvements are involved in private development, the City will seek to assure compliance with the urban renewal plan by contractual agreement. Additional assurance will be sought by modifying zoning and other city ordinances to conform to the provision of this plan to the fullest extent possible.

Developers will be selected on the basis of the conformance of their proposals to this urban renewal plan and a determination of their ability to implement such proposals. This may be through fixed-price offerings, negotiation where design objectives may be determining factors or by other means which, in the

determination of the City, best assures the attainment of development and design objectives of this urban renewal plan.

The following provisions will be included in agreements with redevelopers.

- a. Redevelopers will submit plans and schedules for the proposed development to the City and will keep the City informed regarding progress in implementing these plans.
- b. Land purchased from the City can be used for the purpose of redevelopment only and not for speculation.
- c. Any ownership parcel made up in part of land acquired from the City will be built upon and improved in conformity with the objectives and provisions of this urban renewal plan.
- d. Construction of improvements will be initiated and completed within a reasonable time.
- e. Language in accordance with Section 2-320, <u>Non-Discrimination in Urban</u> <u>Renewal Projects</u>, of the Des Moines Municipal Code, as amended.
- 8. <u>Utilities</u>. A program will be developed for placing existing and proposed utility distribution lines underground. The objective will be to provide more dependable utility services and to eliminate the blighting influence of above-ground installations wherever possible.
- 9. <u>Specified public improvements.</u> An intent of this plan is to acquire, construct, equip, provide, maintain, improve and repair public improvements. These improvements include buildings, street modifications, open spaces, landscaping, utilities and other facilities and features needed to help carry out and achieve plan objectives.

These will be identified through studies and plan to be completed by the City and/or proposals to be developed privately. Planned improvements within the urban renewal area include but are not limited to:

a. Street system: A plan and program will be prepared to improve existing street systems, provide better connections between north-south streets and maintain good access to arterial roadways such as Maury Street, Vandalia Road and Southeast 30th Street. Additional improvements, such as the <u>Southeast Connector Roadway</u>, a multi-lane divided roadway with various interchanges, extending from the portion of M L King Jr. Parkway at SE 14th Street to SE 43rd Street in Des Moines where it will continue eastward into Pleasant Hill and connect to U.S. Highway 65.

- b. Des Moines River and SE Connector Levee Maintenance: Levee improvements will be explored and undertaken as needed and determined to be cost-effective for various parts of the levee and river wall system from SE 14th Street to SE 43rd Street.
- c. Sanitary Sewer, Stormwater Collection and Distribution System: A plan will be prepared to install the appropriate sanitary and storm sewer collection and distribution system to reduce surface flooding for the area shown on Map 5-Area of Focused Redevelopment Activity.
- d. Acquisition, Construction and Equipping of a Des Moines Fire Department Logistics and Training Facility to assist in the training and education of City of Des Moines public safety employees and to protect the health, safety, and general welfare of city residents. This proposed facility will be located on a vacant, under-utilized parcel, as identified on Map 6-Acquisition Map and Map 8-Public Facilities and Specific Public Improvements. Such proposed facility shall have an attractive appearance that will improve the surrounding area and establish activity and an employee presence at the site on a daily basis.
- e. Acquisition, Construction and Equipping of a Municipal Services Center to provide cost-effective facilities for materials, equipment, storage, maintenance, offices and related functions in a single location that allows the City to operate more efficiently in its delivery of various City services by the Public Works, Engineering and Park and Recreation Departments and with sufficient space to accommodate expansion and allow for a comprehensive long-term approach for future space needs. This proposed facility will be located on property currently used for auto salvage operations as identified on Map 6-Acquisition Map and Map 8-Public Facilities and Specific Public Improvements. Such proposed facility shall have an attractive appearance that will improve the surrounding area and establish activity and an employee presence at the site on a daily basis. The City's rights to exercise eminent domain related to this public improvement project are based on the general public purposes of the City that are reasonable and necessary as an incident to the general powers and duties of the City.
- 10. <u>Activities under Chapter 15A:</u> The City may, as part of its actions to carry out this plan, engage in economic development activities within the SE AgriBusiness Urban Renewal Area pursuant to lowa Code Chapter 15A 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 this urban renewal plan.

The City may provide financial assistance as approved by the City Council for economic development and /or redevelopment activities specified in this urban renewal plan where the desired level of redevelopment has not occurred. The City may solicit and/or package such economic development activity proposals.

VII. DATE OF TERMINATION OF THE URBAN RENEWAL PLAN

This Plan shall continue in effect until terminated by action of the City Council of the City, but in no event before the City has received full reimbursement from incremental taxes of its advances and principal and interest payable on all tax increment financing or general obligations issued to carry out the objectives of the Plan.

VIII. 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.

EXHIBIT A - FINANCIAL CONDITION REPORT FOR THE SE AGRIBUSINESS URBAN

RENEWAL PROJECT (4th Amendment)

The City has, by Ordinance No. 13,576 passed January 16, 1998, designated the SE AgriBusiness Urban Renewal Area as a 'Tax Increment Finance District' as permitted by Chapter 403, *Code of Iowa*, and such ordinance being amended by ordinance adopted in conjunction with the 4th amendment to this Plan.

The expected financial undertakings and tax increment revenue with regard to this urban renewal area are fully discussed in this Financial Condition Report

Introduction

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

Urban renewal can provide flexibility in phasing development over a long-term period. In lowa, a city may designate an "urban renewal area" by following the requirements specified in Chapter 403, Code of Iowa. Chapter 403 requires the area to contain one or more of the following conditions:

- -- Slum and/or blighted areas
- -- Economic development opportunity

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, public services, the sale or purchase 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 the urban renewal plan or any amendment can be adopted by the city council, notice of a public hearing on the plan or amendment must be published in the newspaper.

In addition, if the urban renewal area uses tax increment financing, 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.

Tax Increment Financing

Tax increment financing ("TIF") is *only* available in designated urban renewal areas. The tax increment is the difference between the property assessment at the time the TIF District is created and the current assessment; TIF works best in areas where development will occur after the TIF designation.

The City can use the tax revenue created by the tax increment for financing the projects identified in the urban renewal plan such as acquisition of land, environmental remediation and construction of new infrastructure.

TIF can only be used for the activities or items authorized in the urban renewal plan; for example, the City can issue TIF bonds to "front-end" the costs of constructing needed infrastructure. The TIF funds are then used to pay off the bonds.

If the city does not use the revenue for paying off TIF bonds 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 generated after January 1, 1996; the unexpended increment revenues will be available for distribution to the various property taxing entities.

Current TIF Bonding and Outstanding Indebtedness

The SE AgriBusiness Urban Renewal Plan and tax increment district were approved by the City Council in January 1998. This financial condition report will summarize projected revenue from the TIF, outstanding and contracted-for indebtedness, and the debt retirement periods for the SE AgriBusiness Urban Renewal Area.

The table on the following page shows the actual and projected annual debt payment for bonds and other contractual debt issued for the SE AgriBusiness Urban Renewal Area projects.

Overall, the City of Des Moines has about \$357 million in general obligation debt. Of this debt, approximately \$113 million is being serviced with tax increment revenues for specific urban renewal areas. The State of Iowa Constitutional debt-ceiling limit for general debt obligations by the City of Des Moines is about \$552 million. Currently SE Agribusiness Urban Renewal Area has \$6.3 million of outstanding debt to pay off. In addition, the outstanding total of tax increment notes and bonds in this urban renewal area is about \$5.5 million.

Property Tax Assessments and Revenues

At the time of designation as a tax increment financing district, the property tax assessments will be "frozen". 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 is about \$49.2 million for the urban renewal area which includes the addition of Subarea B and formerly tax-abated valuation becoming taxable. Based on the rollback adjustments as mandated by the State of lowa, the 2011/12 taxable value is estimated to be about \$85 million for the entire

urban renewal area, producing an increment above the "frozen" base value of about \$36 million.

Future Financial Condition

It is anticipated that property values will increase due to the City's urban renewal designation, related activities leading to new projects and the overall appreciation of real estate; however, due to economic conditions in 2010 which saw commercial valuations decrease throughout Des Moines, it is anticipated that future values will increase more slowly than was the case between 2000 and 2010.

The City will undertake future projects in conjunction with the private sector to enhance specific sites. In addition, the City will undertake cooperative projects with other governmental agencies to provide open space and other complementary services appropriate to the new development.

Shown below is a table projecting estimated incremental property tax revenues. The assumptions regarding the annual growth rate and the property tax levy available for increment uses are included in the table and are as follows:

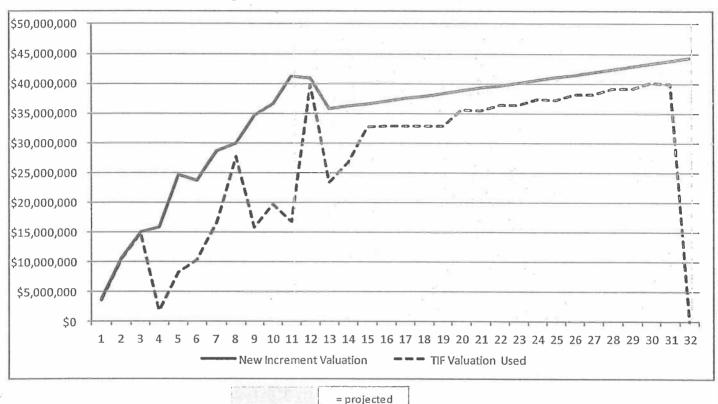
- Average Annual Increase in Assessed Value: .5% or as per minimum assessment agreement. The projected rate of annual increase -.5% -- is less than previous years because of the overall decreases in commercial valuations throughout Des Moines and anticipated slow growth in the immediate future.
- Property Tax Levy per \$1,000 available for TIF use (does not include debt levy portion): approximately \$40/\$1,000.
- The base valuation will increase in FY 2011/12 due to the addition of Subarea B and formerly tax-abated valuation becoming taxable.

Tax Fiscal	Year	Base Valuation	Total Assess Valuation	New Increment Valuation	TIF Valuation Used
1999] -	2000	\$49,478,310	\$53,190,350	\$3,712,040	\$3,641,677
2000 -	2001	\$49,200,850	\$59,869,230	\$10,668,380	\$10,519,452
2001 -	2002	\$47,467,730	\$62,420,700	\$14,952,970	\$14,805,874
2002 -	2003	\$47,820,660	\$63,590,770	\$15,770,110	\$1,870,037
2003 -	2004	\$45,612,200	\$70,201,870	\$24,589,670	\$8,217,388
2004	2005	\$45,806,436	\$69,493,906	\$23,687,470	\$10,329,517
2005	2006	\$45,069,590	\$73,699,440	\$28,629,850	\$16,565,480
2006	2007	\$45,244,420	\$75,193,650	\$29,949,230	\$27,678,665
2007	2008	\$45,193,580	\$79,886,170	\$34,692,590	\$15,802,638
2008	2009	\$45,250,420	\$81,867,040	\$36,616,620	\$19,649,851
2009 -	2010	\$45,250,420	\$86,552,110	\$41,301,690	\$16,795,092
2010 -	2011	\$45,053,530	\$85,968,800	\$40,915,270	\$39,715,720
2011 -	2012	\$49,153,530	\$84,929,848	\$35,776,318	\$23,389,460
2012 -	2013	\$49,153,530	\$85,354,497	\$36,200,967	\$26,786,893
2013 -	2014	\$49,153,530	\$85,781,270	\$36,627,740	\$32,708,974
2014 -	2015	\$49,153,530	\$86,210,176	\$37,056,646	\$32,785,958
2015 -	2016	\$49,153,530	\$86,641,227	\$37,487,697	\$32,798,146
2016 -	2017	\$49,153,530	\$87,074,433	\$37,920,903	\$32,857,833
2017 -	2018	\$49,153,530	\$87,509,805	\$38,356,275	\$32,931,133
2018 -	2019	\$49,153,530	\$87,947,354	\$38,793,824	\$35,532,641
2019 -	2020	\$49,153,530	\$88,387,091	\$39,233,561	\$35,443,821
2020 -	2021	\$49,153,530	\$88,829,027	\$39,675,497	\$36,330,836
2021 -	2022	\$49,153,530	\$89,273,172	\$40,119,642	\$36,357,216
2022 -	2023	\$49,153,530	\$89,719,537	\$40,566,007	\$37,342,840
2023 -	2024	\$49,153,530	\$90,168,135	\$41,014,605	\$37,225,665
2024 -	2025	\$49,153,530	\$90,618,976	\$41,465,446	\$38,244,460
2025 -	2026	\$49,153,530	\$91,072,071	\$41,918,541	\$38,204,757
2026 -	2027	\$49,153,530	\$91,527,431	\$42,373,901	\$39,108,925
2027 -	2028	\$49,153,530	\$91,985,068	\$42,831,538	\$39,114,425
2028 -	2029	\$49,153,530	\$92,444,994	\$43,291,464	\$40,031,925
2029 -	2030	\$49,153,530	\$92,907,219	\$43,753,689	\$39,940,650
2030 -	2031	\$49,153,530	\$93,371,755	\$44,218,225	\$0
			= projected		

The column titled "TIF Valuation Used" includes the projected net annual payments on outstanding debt (including TIF-backed bonds and other contractual debt) of this urban renewal area, including an *estimate* of the obligations proposed to be incurred under this urban renewal plan.

The actual expenditure of the estimated expenditures may occur at a later date than is shown in this table, subject to the progress of the individual project which can be impacted by factors such as weather, construction, etc.

TIF Revenues and Uses from 1999-2032 SE AgriBusiness Urban Renewal Area



This information will change as future projects, subject to the urban renewal amendment process with the individual review of each amendment and projects by the City Council and other authorities as directed by the <u>Code of Iowa</u>, are approved.

Urban Renewal Plan Activities

The proposed SE AgriBusiness Urban Renewal Plan is a large area located generally between SE 14th Street extending to the eastern City boundary and from Dean Avenue southward to the Des Moines River.

The eastern portion of the urban renewal area is also designated as a State of Iowa Enterprise Zone, which allow for certain State tax incentives for non-retail businesses. The Enterprise Zone designation will be used in conjunction with the urban renewal plan to target the retention and expansion of various existing agri-businesses and to attract new agri-businesses to this area.

The proposed Fourth Amendment will add an additional 122 acres to the urban renewal area and add about \$3 million in taxable value to the "frozen base" value of the area after adjusting for property that is taxed directly by the State of Iowa (railroad properties) and the conversion of privately-owned property to roadway and other governmental uses (about \$500,000).

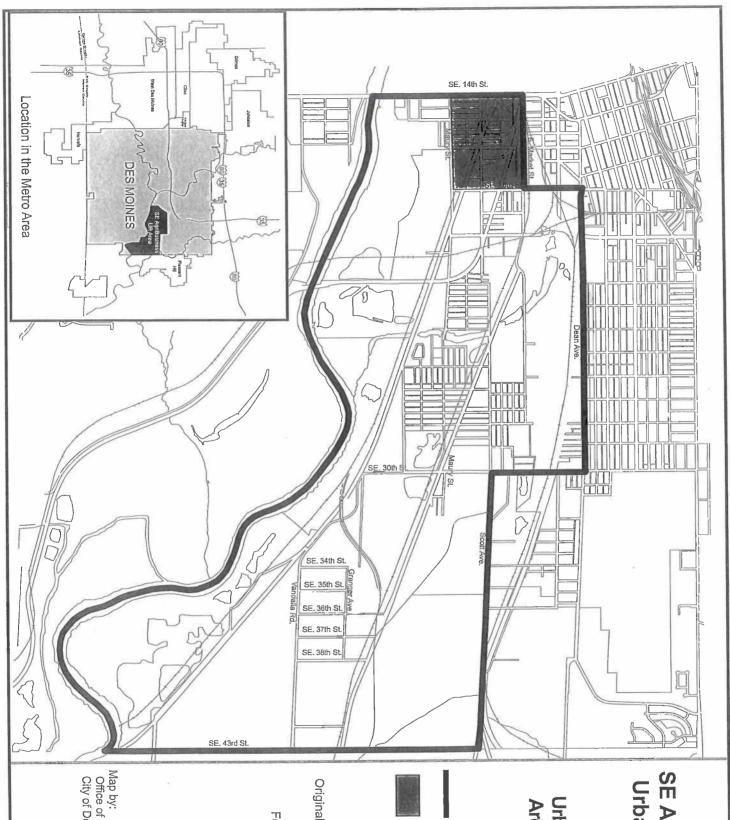
The amendment encompasses a number of projects that anticipate use of TIF on a cash-available and/or bond proceeds basis. These projects are:

- Acquisition of property, construction and furnishing for the first phase of 'Municipal Services Center' with total costs estimated at about \$18.5 million of which about \$15 million will be provided by TIF from this urban renewal area. In conjunction with this project, some temporary facilities related to City public works and parks operations may be undertaken using TIF as a funding source.
- Acquisition of property for Phase 2 as funds may be available.
- TIF revenues may also be used in conjunction with other sources of funding to construct or install other public infrastructure improvements such as stormwater structures, sewers and streets and as specifically approved by the City Council.

EXHIBIT B - AGRIMERGENT TECHNOLOGY PARK PLAN

This plan has been recorded in the files of the Polk County Recorder Office and can be found starting at: Book 9200 Page 260

Map Number	Title
1	Urban Renewal Area Boundary
2	City Recognized Neighborhoods within Urban Renewal Area
3	Existing Zoning
5	Area of Focused Redevelopment Activity - Agrimergent Technology Park
6	Acquisition Map
7	Disposition Map
8	Public Facilities and Improvements Assisted by TIF



SE AgriBusiness **Urban Renewal Project**

Map No. 1 Urban Renewal Area Boundary

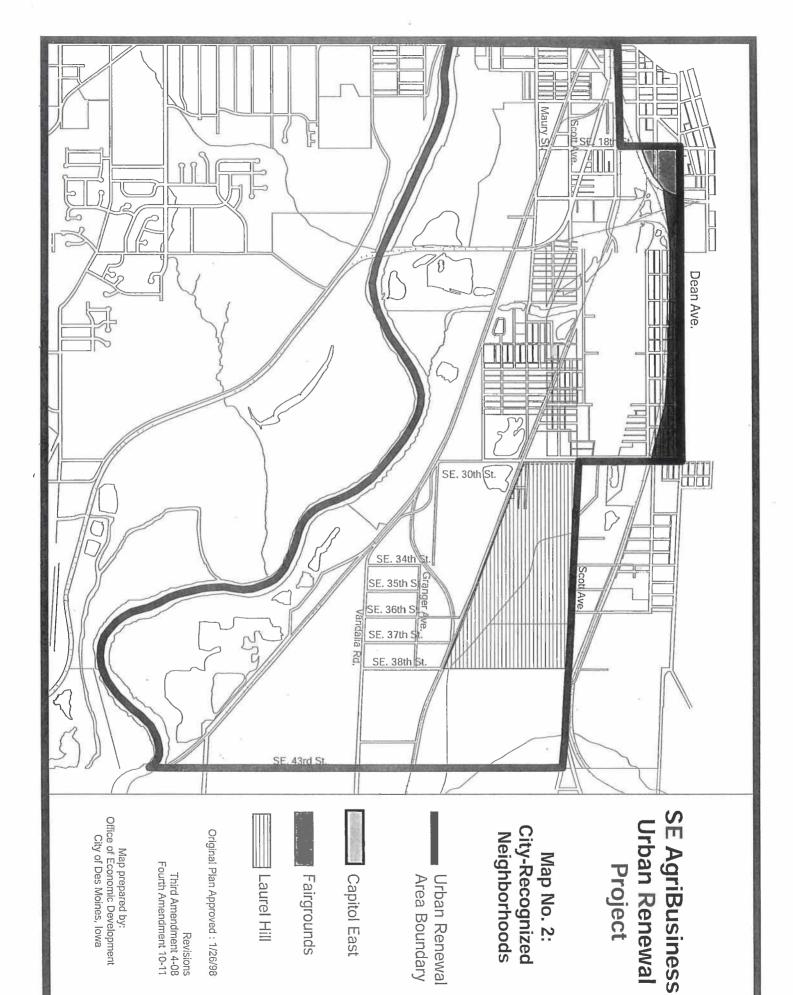
Urban Renewal Area Boundary

Subarea B (added by 4th Amendment)

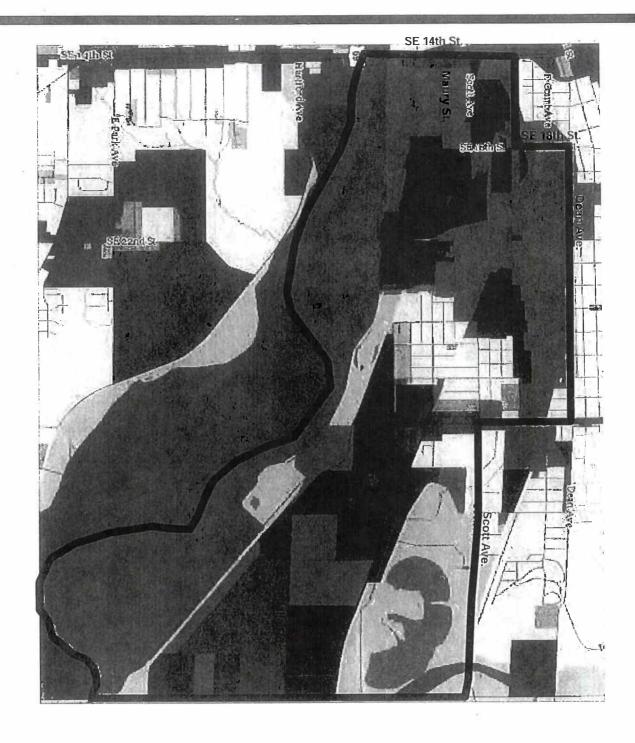
Original Plan Approved 1/26/98

Revisions: Fourth Amendment 10/11

Map by:
Office of Economic Development/
City of Des Moines



Revisions



SE. 43rd St.

FW

 \subseteq

M-2

№-1

C-2

R3



*This map is provided as an informative guide to zoning in the area; the official current zoning map is available from the Community Planning Dept. at 515-283-4180. Original Plan Approved: 1/98 Map prepared by: City of Des Moines Office of Economic Development Revisions
Third Amendment 4-08
Fourth Amendment 10-11

Urban Renewal Area SE AgriBusiness

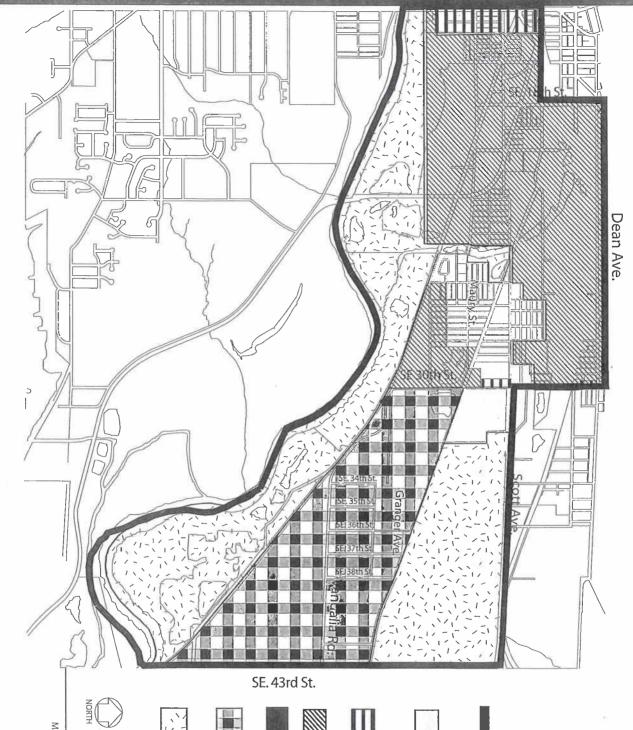
Existing Zoning as of 9-11* Map No. 3

Urban Renerwal Area Boundary

PUD

R1-60

R2



SE AgriBusiness Urban Renewal Area

Future Land Uses Map No. 4:
Proposed

Urban Renewal Area Boundary

low/medium density) Residential (low and

strip development) Commercial (small-scale

Industrial

Public Services

Planned Unit Development

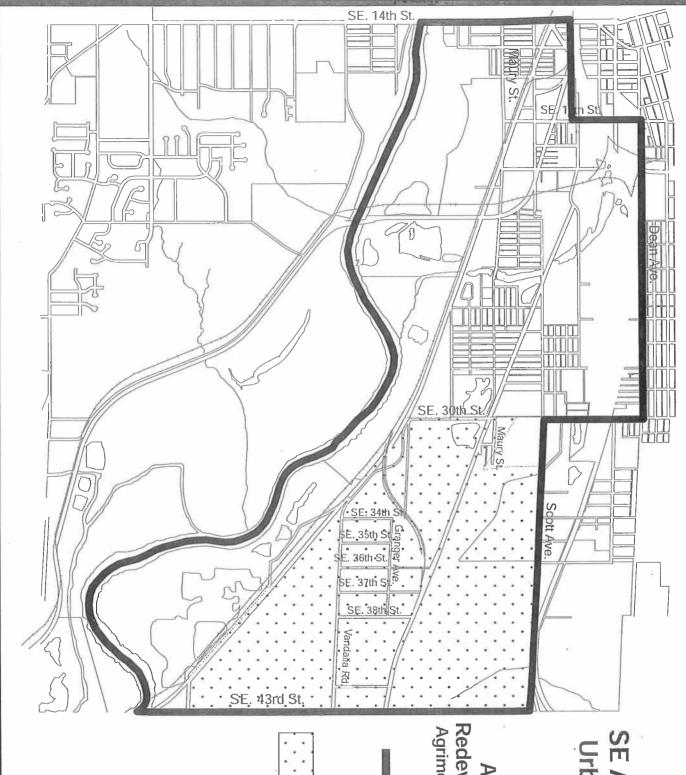
Business Park/

Recreation/Open Space Public & Semi-Public/

Original Plan Approved: 1/98

Revisions Third Amendment: 4/08 Fourth Amendment 10/11

Map prepared by Office of Economic Development/ City of Des Moines, IA.



SE AgriBusiness Urban Renewal Project

Map No. 5
Area of Focused
Redevelopment Activity Agrimergent Technology Park

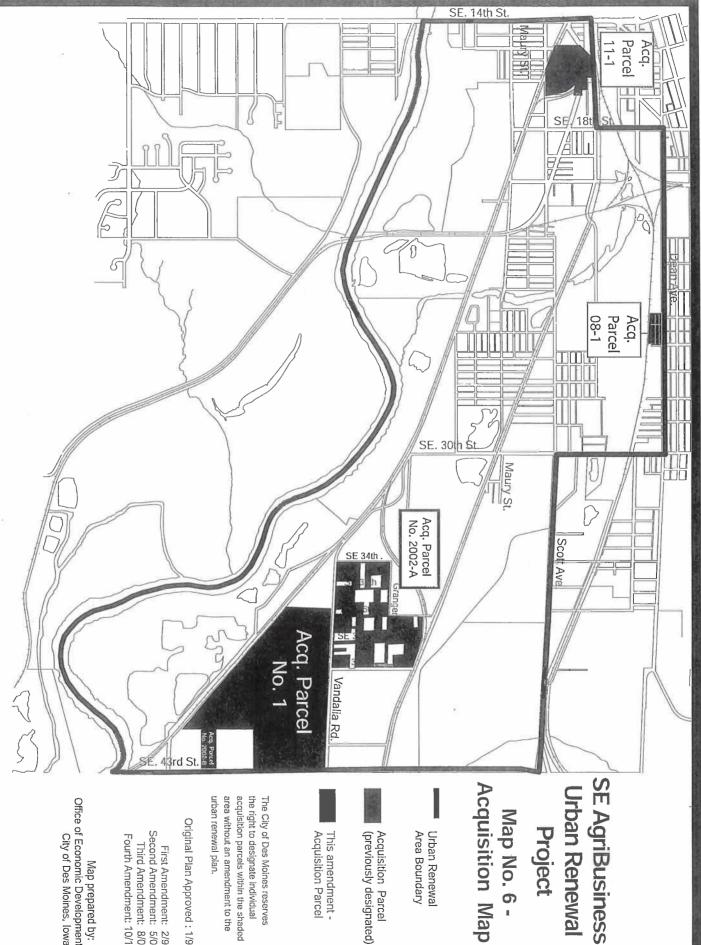
Urban Renewal Area Boundary

Agrimergent
Technology Park Focused Redevelopment
Activity Area

Original Plan Approved: 1/26/98

Revisions
First Amendment: 5/02
FourthAmendment: 10/11

Map prepared by:
Office of Economic Development
City of Des Moines, Iowa



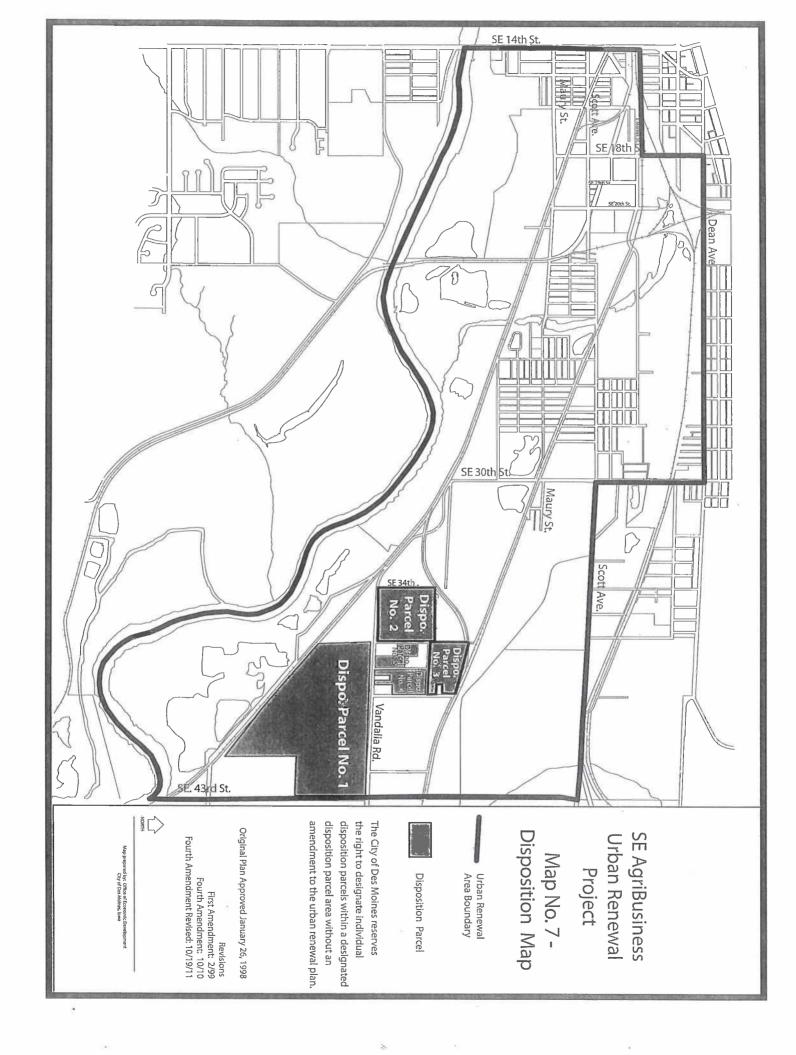
SE AgriBusiness Urban Renewal Project

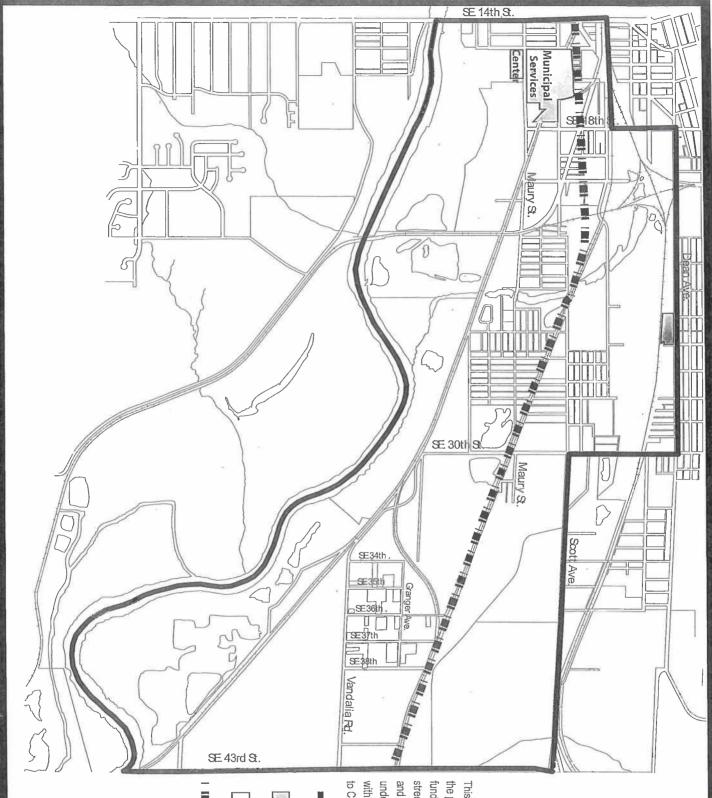
- Urban Renewal Area Boundary
- This amendment Acquisition Parcel
- the right to designate individual acquisition parcels within the shaded The City of Des Moines reserves

Original Plan Approved: 1/98

First Amendment: 2/99
Second Amendment: 5/02
Third Amendment: 8/08
Fourth Amendment: 10/11

Map prepared by:
Office of Economic Development
City of Des Moines, Iowa





SEAgriBusiness Urban Renewal Project

Map No. 8 Public Facilties
and
Improvements

This map is intended to be illustrative of the public projects that intend to use TIF funds; specific individual projects such as street, sewer and bridge re/construction and municipal training/workspace, may be undertaken using TIF as a funding source within the urban renewal area subject to Council approval.

Urban Renewal Area Boundary

Municipal Training/ Workspace

Municipal Public Services Center

General Location of SE Connector Poute

Original Plan Approved: 1/98

Revisions
Third Amendment: 4-08
Fourth Amendment: 10-10

Map, prepared by:
O ce of Economic Development
City of Des Moines, lowa