

Date January 12, 2015

RESOLUTION SCHEDULING PUBLIC HEARING ON THE PROPOSED  
THIRD AMENDMENT TO THE SECOND RESTATED CITY-WIDE URBAN  
REVITALIZATION PLAN TO ADDRESS THE RECLASSIFICATION OF  
MULTI-FAMILY COMMERCIAL PROPERTY AS MULTIRESIDENTIAL  
PROPERTY FOR PROPERTY TAX PURPOSES

WHEREAS, by Ordinance No. 11,026 passed July 6, 1987, as amended by Ordinance No. 11,065 passed September 21, 1987, the City Council designated the entire area within the corporate boundaries of the City of Des Moines as established on July 7, 1987, as the City-wide Urban Revitalization Area; and,

WHEREAS, on September 28, 1987, by Roll Call No. 87-4009, the Des Moines City Council adopted a resolution, in accordance with the provisions of Section 404.2(6) of the Act, approving the Urban Revitalization Plan for the City-wide Urban Revitalization Area, which plan (the "original City-wide Plan") has been repeatedly amended; and,

WHEREAS, on December 5, 2011, by Roll Call No. 11-2085, the City Council approved and adopted the 2011-1 Omnibus Amendment to the City's Urban Revitalization Plans which consolidated all of the City of Des Moines, as it then existed and as thereafter expanded by future annexations, into the City-wide Urban Revitalization Area and approved the Second Restated Urban Revitalization Plan as a complete and restated urban revitalization plan for the City-wide Urban Revitalization Area; and,

WHEREAS, in 2013, the Iowa legislature amended the Iowa property tax laws to reclassify "mobile home parks, manufactured home communities, land-leased communities, assisted living facilities, **property primarily used or intended for human habitation containing three or more separate dwelling units**, and that portion of a building that is used or intended for human habitation and a proportionate share of the land upon which the building is situated, regardless of the number of dwelling units located in the building, if the use for human habitation is not the primary use of the building and such building is not otherwise classified as residential property" as multiresidential property for property tax purposes; and,

WHEREAS, an amendment to the City-wide Urban Revitalization Plan is required to continue tax the allowance of abatement for apartment buildings and certain other types of buildings used for human habitation now classified as multiresidential property for property tax purposes; and,

WHEREAS, the purpose of the proposed Third Amendment to the Second Restated Plan for the City-wide Urban Revitalization Area is to update the Plan to reflect the reclassification of apartment buildings and certain other types of buildings used for human habitation as multiresidential property for property tax purposes, without otherwise substantively changing the City-wide tax abatement program.

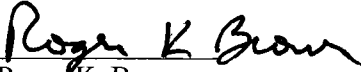
Date January 12, 2015

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

1. A public hearing on the proposed Third Amendment to the Second Restated Urban Revitalization Plan for the City-wide Urban Revitalization Area shall be held before this Council at 5:00 p.m. at its meeting on January 26, 2015.
2. The City Clerk is hereby authorized and directed to publish the notice of the public hearing, attached hereto as Exhibit "A", not less than 7 days nor more than 20 days prior to the date of hearing, in the manner provided in Sections 362.3 and 404.2 of the Code of Iowa.

MOVED by \_\_\_\_\_ to adopt.

FORM APPROVED:



Roger K. Brown

Assistant City Attorney

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COUNCIL ACTION	YEAS	NAYS	PASS	ABSENT
COWNIE				
COLEMAN				
GATTO				
GRAY				
HENSLEY				
MAHAFFEY				
MOORE				
TOTAL				

MOTION CARRIED

APPROVED

Mayor

### CERTIFICATE

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

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

City Clerk

**THIRD AMENDMENT TO THE  
SECOND RESTATED URBAN REVITALIZATION PLAN  
FOR THE CITY-WIDE URBAN REVITALIZATION AREA  
CITY OF DES MOINES, IOWA**

The purpose of the Third Amendment to the Second Restated Plan for the City-wide Urban Revitalization Area is to update the Plan to reflect the reclassification of apartment buildings and certain other types of buildings used for human habitation as multiresidential property for property tax purposes, without otherwise substantively changing the City-wide tax abatement program.

**Approved:**

Date: January 26, 2015

Roll Call No. 15-\_\_\_\_\_

## **HISTORY**

The City Council approved the original Urban Revitalization Plan for the City-wide Urban Revitalization Area by Roll Call No. 87-4009 on September 28, 1987. The original City-wide Urban Revitalization Area was comprised of the entire area within the boundaries of the City of Des Moines on July 7, 1987. The original Urban Revitalization Plan for the City-wide Urban Revitalization Area was amended twenty-one times as identified below:

### **Adoption and Amendment of the original City-wide Urban Revitalization Plan**

<i><b>Action</b></i>	<i><b>Date</b></i>	<i><b>Roll Call/Ordinance Number</b></i>
Designation of Area	07/06/87	Ordinance No. 11,026
Amendment of Area	09/21/87	Ordinance No. 11,065
"Original" Plan Adopted	09/28/87	87-4009
First Amendment	06/05/89	89-2438
Second Amendment	07/24/89	89-3209 (expanded area)
Third Amendment	01/15/90	90-191
Fourth Amendment	06/25/90	90-2793
Fifth Amendment	08/26/91	91-3664
Sixth Amendment	09/08/92	92-3497
Seventh Amendment	03/15/93	93-973
Eighth Amendment	03/15/93	93-971
Ninth Amendment	05/17/93	93-1868
Tenth Amendment	01/03/94	94-114
Eleventh Amendment	08/01/94	94-3024
Twelfth Amendment	11/07/94	94-4273
Thirteenth Amendment	12/19/94	94-4781
Fourteenth Amendment	02/20/95	95-644/ Ord. No. 13,149
Fifteenth Amendment	03/06/95	95-869
Sixteenth Amendment	05/22/95	95-2087
Seventeenth Amendment	07/10/95	95-2659
Nineteenth Amendment	10/16/95	95-3949
Nineteenth Amendment	12-02-96	96-4031
Twentieth Amendment	06/02/97	97-1975 (expanded area)
Twenty First Amendment	06-16-97	97-2126 (expanded area & adopted Restated Plan)

The Twenty First Amendment to the Original Plan adopted the Restated Urban Revitalization Plan for the City-wide Urban Revitalization Area (the "First Restated Plan") which was amended twenty-four times as identified below:

### **Amendments to the First Restated Urban Revitalization Plan**

<i><b>Action</b></i>	<i><b>Date</b></i>	<i><b>Roll Call Number</b></i>
First Amendment	02-23-98	98-549 (expanded area)
Second Amendment	05-18-98	98-1628
Third Amendment	10-19-98	98-3272

Fourth Amendment	03-15-99	99-747
Fifth Amendment	07-12-99	99-2221
Sixth Amendment	10-18-99	99-3258
Seventh Amendment	02-07 -00	00-361
Eighth Amendment	02-07 -00	00-364
Ninth Amendment	12-18-00	00-4680
Tenth Amendment	07-23-01	01-2329
Eleventh Amendment	09-24-01	01-2932
Twelfth Amendment	06-03-02	02-1447
Thirteenth Amendment	10-21-02	02-2546
Fourteenth Amendment	02-09-04	04-315
Fifteenth Amendment	02-28-05	05-476
Sixteenth Amendment	02-28-05	05-478
Seventeenth Amendment	04-24-06	06-847
Eighteenth Amendment	08-07-06	06-1599
Nineteenth Amendment	09-10-07	07-1762
Twentieth Amendment	02-11-08	08-250
Twenty First Amendment	08-21-08	08-1451
Twenty Second Amendment	05-18-09	09-896
Twenty Third Amendment	03-28-11	11-0517
Twenty Fourth Amendment	12-05-11	11-2085

The Twenty Fourth Amendment to the First Restated Urban Revitalization Plan for the City-wide Urban Revitalization Area adopted the Second Restated Urban Revitalization Plan for the City-wide Urban Revitalization Area (the "Second Restated Plan"), which has been amended twice, as identified below:

**Amendments to the First Restated Urban Revitalization Plan**

<i><b>Action</b></i>	<i><b>Date</b></i>	<i><b>Roll Call Number</b></i>
First Amendment	12-03-2012	12-1880
Second Amendment	08-25-2014	14-1319

**PURPOSE OF THIRD AMENDMENT**

The purpose of the Third Amendment to the Second Restated Plan for the City-wide Urban Revitalization Area is to update the Plan to reflect the reclassification of apartment buildings and certain other types of buildings used for human habitation as multiresidential property for property tax purposes, without otherwise substantively changing the City-wide tax abatement program.

**THIRD AMENDMENT**

1. Section B, titled **RESIDENTIAL TAX ABATEMENT** in the **Background of Urban Revitalization in Des Moines**, in the Second Restated Urban Revitalization Plan for the

City-wide Urban Revitalization Area is hereby amended by adding the following paragraph to the end of such Section B:

In 2013, the Iowa legislature created a new classification of property called multiresidential property. "Beginning with valuations established on or after January 1, 2015, mobile home parks, manufactured home communities, land-leased communities, assisted living facilities, property primarily used or intended for human habitation containing three or more separate dwelling units, and that portion of a building that is used or intended for human habitation and a proportionate share of the land upon which the building is situated, regardless of the number of dwelling units located in the building, if the use for human habitation is not the primary use of the building and such building is not otherwise classified as residential property, shall be valued as a separate class of property known as multiresidential property . . ." 2013 Iowa Acts Ch 123. This new classification of property was incorporated into this Second Restated Plan by the Third Amendment to the Second Restated Urban Revitalization Plan.

2. Section C, titled **COMMERCIAL AND INDUSTRIAL TAX ABATEMENT** in the **Background of Urban Revitalization in Des Moines**, in the Second Restated Urban Revitalization Plan for the City-wide Urban Revitalization Area is hereby amended by amending the last unnumbered paragraph of such Section C to read as follows:

All improvements to property assessed for taxation as commercial or industrial property that are located within the Downtown Overlay District were ineligible for tax abatement under this Second Restated Plan as initially adopted. The First Amendment to this Second Restated Plan designated the Riverpoint West Area bounded by SW 9th Street on the east, Martin Luther King Jr. Parkway on the north, and the Raccoon River on the south and west, as a new subarea within the Downtown Overlay District wherein the value added by qualified improvements to real estate assessed as commercial property may qualify for a temporary exemption from taxation under the 3-year 100% tax abatement schedule or a new 5-year declining tax abatement schedule.

3. Section D, titled **Summary** in the **Background of Urban Revitalization in Des Moines**, in the Second Restated Urban Revitalization Plan for the City-wide Urban Revitalization Area is hereby amended by amending the first unnumbered paragraph of such Section D to read as follows:

Prior to the adoption of this Second Restated Plan, urban revitalization tax abatement was generally available within the City of Des Moines under a patchwork of plans and amendments. The Citywide Urban Revitalization Area did not include all the territory annexed after 1987, it encompassed 31 different subareas, and it incorporated many of the old independent plans for the original areas dating from the 1980's.

4. Section 3 titled **Residential and Commercial Property Consisting of Three or More Dwellings**, and Section 4 titled **Property Assessed As Commercial Or Industrial**, in **ARTICLE G. APPLICABILITY OF PLAN**, in the Second Restated Urban Revitalization Plan for the City-wide Urban Revitalization Area are restated in their entirety as follows:

### **3. Residential and Multiresidential Property Consisting of Three or More Dwellings**

The taxable value added by new construction, or by rehabilitation and additions to existing structures consisting of 3 or more separate living quarters with at least 75% of the total space in all buildings on the property used for residential purposes, all of which is assessed as residential or multiresidential property and which satisfies the qualification requirements of Article H of this plan is eligible for a temporary exemption from taxation pursuant to Article I, SUBJECT TO compliance with the following standards:

- a) *Landscaping.* The improvements must be to property which conforms with the site plan landscape standards applicable to development within the C-2 District, as the same may be amended from time to time. However, any higher level of landscaping required by any other applicable requirement shall continue to apply.
- b) *Site Plan and Design Standards.* If the improvements include a new building, a building addition over 50% of the existing building area, or renovations to a building that have an estimated cost for building permit purposes that exceeds 50% of the assessed value of the existing building, then the property must also conform with:
  - (1) An approved site plan.
  - (2) The Construction and Sustainability Design Standards set forth in Appendix A-1, together with any of the following design standards that apply to such property:
    - (a) Improvements to any such property within the Court Avenue Historic Area as shown by Map 5, must substantially comply with the Court Avenue Design Standards attached hereto as Appendix A-2.
    - (b) Improvements to any such property within the Eastern Gateway District Area 1 as shown by Map 7 shall comply with the Eastern Gateway District Area 1 Design Standards set forth in Appendix A-3.

### **4. Property Assessed As Commercial, Industrial or Limited Multiresidential**

The taxable value added by new construction or by rehabilitation and additions to existing structures assessed as commercial, industrial or multiresidential property (exclusive of multiresidential property consisting of 3 or more separate living quarters with at least 75% of the total space in all buildings on the property used for residential purposes) which satisfies the qualification requirements of Article H of this plan and the additional requirements under one or more of the subcategories of commercial and industrial property listed below is eligible for a temporary exemption from taxation pursuant to Article I.

**A. Commercially and Industrially Zoned Districts:** Improvements to property within a commercially and industrially zoned district and outside the Downtown Overlay District, which comply with the following standards:

- 1) *Access.* The improvements must be to property having a primary vehicular access from street frontage properly zoned for commercial or industrial use.
- 2) *Landscaping.* The improvements must be to property which conforms with the site plan landscape standards applicable to development within the C-2 District, as the same may be amended from time to time. However, any higher level of landscaping required by any other applicable requirement shall continue to apply.

3) *Site Plan and Design Standards.* If the improvements include a new building, a building addition over 50% of the existing building area, or renovations to a building that have an estimated cost for building permit purposes that exceeds 50% of the assessed value of the existing building, then the property must also conform with:

(a) An approved site plan.

(b) The Construction and Sustainability Design Standards set forth in Appendix A-1, together with any of the following design standards that apply to such property:

(1) Improvements to any such property within the Court Avenue Historic Area as shown by Map 5, must substantially comply with the Court Avenue Design Standards attached hereto as Appendix A-2.

(2) Improvements to any such property within the Eastern Gateway District Area 1 as shown by Map 7 shall comply with the Eastern Gateway District Area 1 Design Standards set forth in Appendix A-3.

**B. Riverpoint West Area:** Improvements to property located within the Riverpoint West Area bounded by SW 9th Street on the east, Martin Luther King Jr. Parkway on the north, and the Raccoon River on the south and west, which comply with following standards:

1) *Access.* The improvements must be to property having a primary vehicular access from street frontage properly zoned for commercial or industrial use.

2) *Landscaping.* The improvements must be to property which conforms with the site plan landscape standards applicable to development within the C-2 District, as the same may be amended from time to time. However, any higher level of landscaping required by any other applicable requirement shall continue to apply.

3) *Site/Development Plan and Design Standards.* The improvements must consist of one or more new structures assessed as commercial property which comply with the following standards:

(a) The Construction and Sustainability Design Standards set forth in the Second Restated Urban Revitalization Plan for the City-wide Urban Revitalization Area; and,

(b) The improvements must either conform with an approved Planned Unit Development Conceptual Plan, or satisfy the following criteria:

- Be within a building having at least three stories; and,
- Be part of a development parcel with a minimum building coverage of 50% when viewed from above.

4) *Construction window.* Construction of the improvements must be commenced under authority of a building permit issued after July 1, 2012, and prior to July 1, 2017, and the improvements must be completed by December 31, 2017. However, this shall not be interpreted as extending the duration of this Plan as provided in Article M, below.



5. Paragraph numbered 2, in **ARTICLE H. QUALIFICATION FOR ELIGIBILITY**, in the Second Restated Urban Revitalization Plan for the City-wide Urban Revitalization Area, is restated in its entirety as follows:

2. Improvements consisting of rehabilitation or additions to existing improvements must have increased the actual value of the qualified real estate by at least 5% for property assessed as residential and 15% for property assessed as multiresidential, commercial or industrial.

6. Section 4 titled **Residential Five-Year 100% Abatement Schedule**, Section 5 titled **Targeted Residential 10-Year 100% Abatement Schedule**, and Section 6 titled **Alternate Residential Ten-Year Declining Abatement Schedule**, in **ARTICLE I. TAX ABATEMENT SCHEDULE**, in the Second Restated Urban Revitalization Plan for the City-wide Urban Revitalization Area, are restated in their entirety as follows:

**4. Residential Five-Year 100% Abatement Schedule.** All qualified real estate assessed as any of the following is eligible to receive a one hundred percent exemption from taxation on the actual value added by the improvements for a period of five years:

- a) Residential property.
- b) Commercial property, if the commercial property consists of three or more separate living quarters with at least seventy-five percent of the space used for residential purposes.
- c) Multiresidential property, if the multiresidential property consists of three or more separate living quarters with at least seventy-five percent of the space used for residential purposes.

**5. Targeted Residential Ten-Year 100% Abatement Schedule.** All qualified real estate within the Targeted Residential Development Area, as shown in Map 8, assessed as any of the following is eligible to receive an exemption from taxation on the actual value added by the improvements for a period of ten years:

- a) Residential property.
- b) Commercial property, if the commercial property consists of three or more separate living quarters with at least seventy-five percent of the space used for residential purposes.
- c) Multiresidential property, if the multiresidential property consists of three or more separate living quarters with at least seventy-five percent of the space used for residential purposes.

**6. Alternate Residential Ten-Year Declining Abatement Schedule.** All qualified real estate assessed as any of the following is eligible to receive a partial exemption from taxation on the actual value added by the improvements.

- a) Residential property.

- b) Commercial property, if the commercial property consists of three or more separate living quarters with at least seventy-five percent of the space used for residential purposes.
- c) Multiresidential property, if the multiresidential property consists of three or more separate living quarters with at least seventy-five percent of the space used for residential purposes.

The exemption is for a period of ten years. The amount of the partial exemption is equal to a percent of the actual value added by the improvements, determined as follows:

- a. For the first year, one hundred percent.
- b. For the second year, ninety percent.
- c. For the third year, eighty percent.
- d. For the fourth year, seventy percent.
- e. For the fifth year, sixty percent.
- f. For the sixth year, fifty percent.
- g. For the seventh year, forty percent.
- h. For the eighth year, thirty percent.
- i. For the ninth year, twenty percent.
- j. For the tenth year, ten percent.

7. **Appendix A-1 (Rev. 1) Commercial Construction and Sustainability Design Standards** to the Second Restated Urban Revitalization Plan for the City-wide Urban Revitalization Area, is restated in its entirety as set forth in in the attached **Appendix A-1 (Rev. 2) Commercial Construction and Sustainability Design Standards**.

## **Appendix A-1 (Rev. 2)**

### **Construction and Sustainability Design Standards**

*(Applicable to improvements to multiresidential, commercial and industrial property.)*

#### **OVERVIEW**

Tax abatement is offered as an incentive to multiresidential, commercial and industrial projects that demonstrate a commitment to the quality of Des Moines' residential, commercial and industrial areas that is comparable with requirements of our metropolitan counterparts and over time, will improve the character of the residential, commercial and industrial areas throughout the City.

Except where otherwise noted, if the improvements to multiresidential, commercial or industrial property include a new building, a building addition over 50% of the existing building area, or renovations to a building that have an estimated cost for building permit purposes that exceeds 50% of the assessed value of the existing building, then the property must also conform with the design standards set forth in this appendix to qualify for a partial exemption from taxation under the Restated Plan.

It is intended that these eligibility standards for tax abatement will be phased in as development regulations in the future.

Compliance with the standards will be reviewed by the Community Development Director or the Director's designee for recommendation to the City Council. An application for tax abatement must be approved by the City Council before it may be forwarded to the Polk or Warren County Assessor to allow the abatement.

#### **DEVELOPMENT STANDARDS**

##### **1. Landscaping**

Landscaping must be provided in compliance with the City of Des Moines Landscape Standards for the C-2 District. This requirement does not relieve higher levels of landscaping that may be required by other measures.

##### **2. Sidewalks**

- a) Public sidewalk must be installed along all perimeter streets in conformance with the approved site plan.
- b) Pedestrian sidewalk access must be provided between the public right-of-way and the primary building entry(s) in accordance with the approved site plan.
- c) All required sidewalks must be in good repair and not contain any defects as defined in Section 102-43 of the Des Moines Municipal Code.

##### **3. Screening**

- a) Trash containers shall be fully enclosed with 100% opaque walls and gate(s) constructed of masonry, steel panels, or other durable materials approved by the Community Development Director. Wood, vinyl or chain link are not durable materials for the purposes of this requirement.
- b) Outside storage of materials or equipment must be enclosed by opaque wood or masonry

fence. No stored materials may be stacked higher than the perimeter fence.

- c) Roof-mounted utilities must be screened on all sides by an architectural screen wall with a height equal to the height of the equipment, and constructed with an exterior finish and color matching the primary building exterior. Roof-mounted utilities may also be screened by a parapet wall or by setback from the edge of the building equal to five times the height of the equipment, or any combination of the above.
- d) Wall-mounted utilities must be screened on all sides by an architectural screen wall or painted to match the adjoining building finish.
- e) Ground-mounted and wall-mounted utilities and meters shall be screened, or not visible from public streets.

#### 4. Building Materials

- a) Minimum of 75% of the surface area (exclusive of windows and doors) of facades fronting and perpendicular to a public street must be glass, brick, concrete panels, architectural concrete block (such as split-face or burnished block), architectural metal panels or stone.
- b) All buildings shall have window and door openings comprising at least 20% of the surface area of each facade fronting public streets. However, those portions of such a facade adjoining areas of a building devoted to processing, manufacturing or storage uses associated with an industrial use of the building need only have window and door openings comprising at least 20% of the area of first floor such facade, up to a maximum elevation of 14 feet.
- c) No building elevation should have exterior insulation and finish system (EIFS) within 5' of the finished grade.
- d) As an alternative to conforming with the requirements set forth above in this paragraph 4, all facades fronting and perpendicular to a public street must be constructed of materials and with a design approved by the Community Development Director as being consistent with the overall intent and purpose of these Construction and Sustainability Design Standards, and providing an equivalent level of quality and durability.

#### 5. Underground Utilities

All utility service lines to the property shall be underground, unless otherwise allowed by an approved site plan.

#### 6. Signage

Free standing signs must be monument signs or directory signs as defined in Chapter 134, Zoning, of the Des Moines City Code (no pole-mounted signage).

#### 7. Site Custodial

- a) All obsolete unneeded curb cuts, drive approaches, signs, sign poles, sign bases, concrete and paving islands shall be removed.
- b) Drive approaches shall be in good repair, properly sized and located.

#### 8. Sustainability

The development must provide a minimum of four (4) of the following sustainable features:

- a) Bike racks for public use that provide a minimum of 10% of the automobile parking provided.
- b) Permeable pavement for a minimum of 30% of the paved area.
- c) Green roof on 50% of the rooftop area.

- d) Rain garden(s) that absorb 25% of runoff from impervious surfaces during a 1 ¼ "rain event over 24 hours.
- e) Exceed applicable energy code by 15%.
- f) 50% increase in required landscaping.
- g) 90% of exterior building elevations constructed from renewable materials.
- h) Primary entry within ¼ mile of a DART transit stop.
- i) Redevelopment of a previously-developed site.
- j) Renovation of an existing building.
- k) Uses wind or solar electric generation systems reasonably estimated to annually provide at least 20% of the electric power consumed by the development.

Residential projects in conformance with a site plan approved prior to December 31, 2011, and consisting of three or more multi-family residential structures where at least two such structures were commenced on or before December 31, 2011, and completed on or before December 31, 2012, must provide a minimum of three of the above sustainable features.

9. Historic and Cultural Resources

If the project includes a site with a historic building that is on the National Register of Historic Places or deemed eligible for the Register of Historic Places, the building must be retained if feasible, considering the condition of the property.