



Roll Call Number

Agenda Item Number

64A

Date September 14, 2015

COMMUNICATION FROM THE PLAN AND ZONING COMMISSION REGARDING THE PROPOSED URBAN RENEWAL PLAN FOR THE ECHO VALLEY URBAN RENEWAL AREA

WHEREAS, the City Plan and Zoning Commission has advised that at a public hearing held on July 16, 2015, its members voted 10-0 in support of a motion to recommend that the proposed Urban Renewal/Tax Increment Finance (TIF) Plan for the Echo Valley Urban Renewal Area is in conformance with the Des Moines 2020 Community Character Plan.

Moved by \_\_\_\_\_ to receive and file the attached communication from the Plan and Zoning Commission.

FORM APPROVED:

[Signature of Roger K. Brown]

Roger K. Brown, Assistant City Attorney
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Table with 5 columns: COUNCIL ACTION, YEAS, NAYS, PASS, ABSENT. Rows include COWNIE, COLEMAN, GATTO, GRAY, HENSLEY, MAHAFFEY, MOORE, and 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

August 19, 2015

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 July 16, 2015, the following action was taken regarding a City initiated request for a determination as to whether the proposed Urban Renewal/Tax Increment Finance (TIF) Plan for the Echo Valley Urban Renewal Area is in conformance with the Des Moines 2020 Community Character Plan Comprehensive Plan.

**COMMISSION RECOMMENDATION:**

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

Commission Action:	Yes	Nays	Pass	Absent
Dory Briles				X
JoAnne Corigliano	X			
Jacqueline Easley				X
Tim Fitzgerald	X			
Jann Freed	X			
John "Jack" Hilmes	X			
Greg Jones	X			
Sasha Kamper	X			
Brian Millard				X
William Page	X			
Jonathan Rosenbloom				X
Mike Simonson	X			
CJ Stephens	X			
Greg Wattier	X			

**APPROVAL** of the requested proposal of Echo Valley Urban Renewal Plan in conformance with the Des Moines' 2020 Community Character Plan.

**STAFF RECOMMENDATION TO THE P&Z COMMISSION**

Staff recommends that the Commission find the proposed Echo Valley Urban Renewal Plan in conformance with the Des Moines' 2020 Community Character Plan.

## **STAFF REPORT TO THE PLANNING COMMISSION**

### **I. APPLICABLE INFORMATION**

Included in the Commission packet is a draft of the Echo Valley Urban Renewal Plan and financial conditions report. The area includes properties which front Fleur Drive, Echo Valley Drive and Iowa Highway 5, generally southwest of the interchange of Fleur Drive and Iowa Highway 5. On June 22, 2015, the City Council referred the draft Urban Renewal Plan to the Plan and Zoning Commission requesting a determination as to whether it is in conformance with the Des Moines' 2020 Community Character Plan.

Significant opportunities to revitalize economic viability and promote future private investment exist in the Echo Valley Development Area. This is an area which is previously undeveloped, but has opportunity for development in close proximity to the Des Moines International Airport and the Echo Valley residential golf community within the adjoining City of Norwalk. There is an ability to capture additional private investment for the benefit of the City of Des Moines. The creation of an Urban Renewal/TIF Plan is recommended to assist with public improvements, facilitate economic development, and create a future resource to assist development projects in this area.

The draft plan amendment does not propose any revision to the future land use or zoning for the subject Urban Renewal Area. Any subsequent proposal to make amendment to future land use or zoning within the area pursuant to a revised Urban Renewal Plan will be reviewed by the Plan and Zoning Commission.

### **II. ADDITIONAL INFORMATION**

The Office of Economic Development has worked with other City departments over the last several months to evaluate the Echo Valley Area as a proposed urban renewal area/TIF District. Development of this area is a benefit to the City, offering the ability to stimulate new private sector upfront investment, create new taxable valuation, provide executive level housing opportunities as well as multifamily housing, and offer prime commercial and potential office development sites along Highway 65/5 (Purple Heart Highway), which is currently being promoted for inclusion as part of the Interstate system.

The proposed area includes approximately 332 acres on the Des Moines side of the Echo Valley development area, with an estimated current total assessed valuation of \$1.8M. The Norwalk side of the Echo Valley Development Area is already under construction, following an urban renewal development agreement with Coppola Enterprises and the City of Norwalk in 2004. The Master Plan for the undeveloped Des Moines Echo Valley acres proposes a mix of single-family homes, multifamily housing and commercial development sites. Projected new valuation for the area, when fully developed, will be included in the analysis and provided to City Council as part of the financial condition report of the urban renewal plan. The creation of a low to moderate income set aside fund, which would be available for use in other parts of the City from valuation created in Echo Valley, will also be included.

The proposed duration of the plan will be 20 years, with the intent being to encourage and facilitate new economic development within the area. The creation of an urban renewal area and TIF plan for economic development for the Echo Valley area can provide a source of funding for public and private improvements. Public improvements would typically

include sanitary sewer, street and stormwater infrastructure, streetscape improvements, green infrastructure and sidewalk and trail amenities. Private improvements would typically include the construction of new public streets, utilities and recreational amenities, and new buildings and facilities for commercial and residential use, generating new taxable valuation and jobs for the community. 64A

Sanitary sewer and water are located in the area through prior capital investment by the Wastewater Reclamation Authority and the Des Moines Water Works. There is an ability to proactively structure this proposed urban renewal plan and TIF district to respond to the new private sector investment opportunities available to the City, providing reinforcement to the prior investment in Highway 65/5 and in public sanitary sewer and water, and providing for the continuation of planning efforts in conjunction with the 2020 Community Character Plan and the update of same which is currently in progress. The upfront costs being provided by the developer, and having project generated TIF as the source of any economic development assistance are ways to significantly limit the City's risk in the proposal while offering a significant return through new added taxable valuation.

### **SUMMARY OF DISCUSSION**

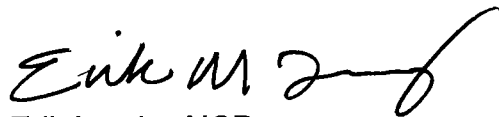
Greg Jones asked if anyone was present to speak on this item. None were present or requested to speak.

### **COMMISSION ACTION:**

CJ Stephens moved staff recommendation for approval of the proposed Echo Valley Urban Renewal Plan is in conformance with the Des Moines' 2020 Community Character Plan. (Jacqueline Easley had not joined the meeting at the time of the vote).

Motion passed 10-0.

Respectfully submitted,



Erik Lundy, AICP  
Senior Planner

EML:clw  
Attachment

# URBAN RENEWAL PLAN

## ECHO VALLEY

City of Des Moines, Iowa

DRAFT

This Urban Renewal Plan provides for the development of the Echo Valley Area

Prepared by the Office of Economic Development  
June 2015

Urban Design Review Board Action  
Plan & Zoning Commission Action  
City Council Action  
Taxing Entities Consultation Meeting

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# URBAN RENEWAL PLAN

## Echo Valley

### A. INTRODUCTION

This Urban Renewal Plan (the "Plan") has been prepared pursuant to Roll Call 14-1181 of the City Council of the City of Des Moines as adopted on July 28, 2014. Its intent is to guide the development of and stimulate private economic development activities within the Echo Valley District (the "District") through the commitment of public actions as specified herein.

#### 1.) Authority to Adopt and Implement the Urban Renewal Plan

The State of Iowa has provided Iowa cities with the power to adopt and implement urban renewal plans through Chapter 403, Urban Renewal Law, Code of Iowa. If a slum, blighted or economic development area, or combination of the two, as defined in Section 403.17, Code of Iowa, exists within the municipality, the municipality may designate such an area for urban renewal through the process provided for in Chapter 403. After a comprehensive plan for the municipality has been adopted, the municipality may prepare, adopt and implement an urban renewal plan for the purpose of rehabilitation, conservation, development, redevelopment, or a combination thereof, of a designated urban renewal project area to promote the public health, safety or welfare of the residents of the municipality.

On August 7, 2000 by Roll Call 00-3381, the City Council of the City of Des Moines adopted the ***Des Moines 2020 Community Character Plan*** as its comprehensive plan. This plan designates the following land uses for the area defined in this Urban Renewal Plan as the Echo Valley Urban Renewal Plan Area:

1. Planned Business Park
2. Commercial
3. Park/Open Space
4. Medium Density Residential

#### 2.) Purpose of the Plan

The purpose of the Echo Valley Urban Renewal Plan is to guide the development of the Echo Valley area and to activate new economic investment leading to increased taxable valuation on the Des Moines side of Warren County along Highway 5/65. Specifically, the area located west of Fleur Drive, north of Border Street east of SW 28<sup>th</sup> Street and south of Echo Valley Drive adjacent to the Highway 65/5 bypass. The proximity of this area to the Highway 65/5 Bypass and thereby the interstate highway system, provide prime opportunities for quality development that can be coordinated in a planned and unified manner. Strategic and targeted use of resources that will be realized through the creation of this plan are critical to establishing necessary infrastructure and private

sector economic investment, in the form of commercial, office, multifamily and residential development.

The City of Des Moines believes that the designation of the District as an urban renewal area through the adoption of this urban renewal plan will strengthen and revitalize the local economy through the planned development and redevelopment of the District, through:

- A. Guidance of the development of the area in a manner that is consistent with the Comprehensive Plan, and that provides for the physical and economic enhancement of the District.
- B. Providing for planned and unified development of high-quality commercial and office uses and medium to high density residential uses.
- C. Creation of a safe and attractive physical environment through the construction and installation of necessary infrastructure and other public improvements or actions supportive of the District.
- D. Creation of financial incentives as necessary to encourage new and existing businesses to invest in the District.
- E. Retention and creation of quality permanent employment opportunities for residents.
- F. Expansion of the property tax base of the District, and subsequently contributing to the economic betterment of the full City of Des Moines.

### 3.) Description of the Plan Area

The Plan area contains approximately 332 acres, and runs generally between Echo Valley Drive, SW 28<sup>th</sup> Street Border Street, and Fleur Drive, south of Highway 65/5. The boundaries of the District are delineated on the Echo Valley Urban Renewal Plan Area map (Attachment B). They are more specifically described in the accompanying legal description (Attachment A). The District shall consist of the real property legally included in the legal description and all adjacent public rights-of-way.

The City of Des Moines reserves the right to modify the boundaries of the District at some future date. Any amendments to the Plan will be completed in accordance with Iowa Code Chapter 403, Urban Renewal.

## **B. BACKGROUND INFORMATION**

### 1. Current Land Use, Zoning and Conditions



The property was zoned as a Planned Unit Development (PUD) in 2006, and is currently undeveloped. Public utilities including sanitary sewer and water have been extended to the area. It is vital to create a uniform economic development plan that is structured to respond to the existing conditions and provide resources to facilitate new investment in the area, providing for the highest and best possible uses of land. An update of the PUD will be required in conjunction with any urban renewal development agreements that are proposed.

## 2. Proposed Land Use and Zoning

The City of Des Moines **2020 Community Character Plan** shows the land as a combination of intown estates residential, medium density residential, park/open space, community commercial, small scale strip development and business park space. In conjunction with this urban renewal plan, additional planning processes will be undertaken as needed to further refine the projected land uses for this area. A map is included as attachment D showing the 2020 Plan projected land uses. Future rezoning of property to further the objectives of the plan is anticipated.

## 3. Conformance with City Comprehensive Plan

The plan has been developed to be consistent with the City of Des Moines **2020 Community Character Plan**. The plan will also be reviewed by the Plan and Zoning Commission for conformance with the 2020 Plan.

## 4. Appropriateness for Economic Development

The Echo Valley area's proximity to Highway 65/5 and connection to the interstate system provides high visibility and traffic counts that are conducive to economic development activity. Substantial public investment has been made to achieve new business and residential development in the area, with the extension of public utilities and the construction of Highway 65/5. The City of Des Moines has not seen private sector economic investment in this area, despite the prime location and infrastructure preparation, in the 13 years since the completion of the Highway 5 link to Highway 65. The City of Des Moines can benefit from the proximity of the highway and the preparation of land through past infrastructure investments to attract new economic investment and taxable valuation to the City.

# **C. URBAN RENEWAL PLAN ELEMENTS**

## 1. Goals and Objectives

The primary goal for the Echo Valley Urban Renewal Plan is to facilitate the development of high quality commercial, office and residential land uses and public infrastructure enhancements according to the needs of the citizenry for increased tax base, highest and best use of land, and the ability to maximize past investment in transportation systems and public utilities.

Objectives for the plan include:

- Encourage and facilitate high quality commercial, office and residential development within the plan area.
- Coordination of resources to attract new quality economic development investment
- Promote key public infrastructure projects in coordination with the private sector, Warren County, the WRA, Des Moines Water Works and the Iowa Department of Transportation.
- Promote and coordinate additional land use and transportation system study as warranted to ensure the ability to attract quality development and the ability to accommodate and manage traffic circulation.
- Encourage the use of low impact development and on site stormwater management best practices in the plan area.
- Encourage the incorporation of long term sustainability into site development and building construction, particularly the efficient use of energy in heating, ventilation and cooling system design.

## 2. Public Purpose Activities

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

1. Provision of technical support in furtherance of the Plan;
2. Evaluation of property's potential for development and redevelopment purposes, including but not limited to activities such as appraisals and architectural, engineering and environmental studies;
3. Acquisition and disposition of property for public improvements and for private development and redevelopment;
4. Demolition and clearance of deteriorated, obsolescent and blighting structures and other improvements;
5. Preparation of building sites for development and redevelopment purposes through activities that include but are not limited to grading, filling and landscaping;
6. Improvement, installation, construction and reconstruction of streets, utilities, and other public improvements and rights-of-way;
7. Enforcement of applicable local, state and federal laws, codes and regulations; and

8. Use of tax increment financing, loans, grants and other appropriate financial tools in support of eligible public and private development and redevelopment efforts.

All public purpose activities shall be conditioned upon and shall meet the restrictions and limitations placed upon the District by the Plan.

### 3. Land Use and Development Requirements

The intent of this Plan is to promote the quality development of commercial, office and residential uses within the District. All land uses shall be regulated by the zoning district regulations established for the property.

Land use and zoning maps identify the existing and the proposed land uses within the District (Attachments C, D and E).

The planning and design criteria to be used to guide the physical development of the District are those standards and guidelines contained within the City of Des Moines **2020 Community Character Plan**, the City of Des Moines' Zoning Ordinance and other applicable local, state and federal codes and ordinances. In addition, the City of Des Moines is in the process of conducting an update to the 2020 Community Character Plan. The planning and design criteria from that updated plan will also be utilized to guide the physical development of the District.

### 4. Financial Condition Report

The urban renewal area will be concurrently designated as a tax increment district. A financial condition report is included (Section I. Appendices). Property tax revenues anticipated to result from creation of the district would be available to service any debt incurred in financing actions pursuant to this plan

## **D. URBAN RENEWAL PLAN IMPLEMENTATION**

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

### 1. Continued Planning Efforts

The City shall continue to evaluate the needs of the area, identifying issues and coordinating a response to these issues. A comprehensive approach will be taken to gathering input from landowners, neighborhoods, prospective businesses and development interests.

### 2. Technical Assistance

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

### 3. Funding and Financing: Economic Development Assistance

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

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

#### 1. Tax Increment Financing

The City believes that the use of tax increment revenues to finance new development or redevelopment in the District is necessary in the public interest to achieve the objectives of this Plan. Without the use of this special financing tool, new investment may not otherwise occur or may occur within another jurisdiction. If new development does not take place in Des Moines, property values could stagnate and the City, County and School District may receive less taxes during the duration of this Plan than they would have if this Plan were not implemented.

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

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

- a. Planning and administration of the Plan;
- b. Construction of public infrastructure improvements and facilities within the District;
- c. Acquisition, installation, maintenance and replacement of public investments throughout the District;
- d. The development or redevelopment of buildings or facilities within the District to be sold or leased to qualifying entities;

- e. Loans or grants to qualified industries and businesses, including debt service payments on any bonds issued to finance such loans or grants, for purposes of expanding the business or activity, or other qualifying loan programs established in support of the Plan; and
  - f. Providing the matching share for a variety of local, state and federal grants and loans.
2. Review and Submittal Requirements for Requests for Financial Assistance for Economic Development Projects

The intent of these requirements is to ensure that public funds are invested in high quality development projects that meet the goals and objectives for furtherance of the plan.

- All development must conform to the adopted land use and development requirements specified for the area, including attention to scale, architectural materials (75% or greater use of masonry materials on all building facades, with trademark architectural designs being individually evaluated), landscaping, massing and setbacks. Use of masonry materials in a compatible mix with non-masonry materials and the function of the proposed business will be taken into consideration in the review process
- All development assisted with tax increment financing under the Echo Valley Urban Renewal Plan is subject to review and recommendation from the Urban Design Review Board for the City of Des Moines.
- All development projects requesting financial assistance must coordinate with the Office of Economic Development and provide all requested information to demonstrate the public benefit of the proposed project, in conjunction with presenting the project for review by the Urban Design Review Board.

3. Public Improvements

The plan will promote the extension of public utilities (sanitary sewer, water, stormwater management system, construction and rehabilitation of streets, green infrastructure and park amenities, provision for pedestrian access and connection to sidewalks and recreation trails, and corridor beautification, including landscape and hardscape elements) in the Plan area, and work with landowners and developers to coordinate construction of improvements in accordance with the Statewide Urban Design Standards and Specifications (SUDAS) in furtherance of the Plan objectives.

4. Responsibility of Developers

Developers shall work with the City to coordinate the realization of the Plan intent. This will include limiting tax abatement for exemption from taxes on the value added by the improvements where possible. It is recognized that when exemption from taxes is in place, it will reduce the amount of tax increment created by the district. Therefore in certain cases it may be necessary for developers to forego tax abatement to make a project work. This would include cases where a developer may upfront the cost of public

improvements or site development, and there is a negotiated agreement with the City to rebate a portion of that investment back to the developer over time through the increment created by the improvements to the property. The City reserves the ability to negotiate what will be in the best interest of the community and the furtherance of the Plan, while working with developers to facilitate new projects.

#### 5. Activities Under Chapter 15 A

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

#### **E. DURATION OF APPROVED URBAN RENEWAL PLAN**

This Plan shall continue in effect until terminated by the City Council; provided, however, that the collection of tax increment revenues from properties located in the District shall be limited to twenty (20) years from the calendar year following the calendar year in which the City first certifies to the County Auditor the amount of any loans, advances, indebtedness or bonds which qualify for payment from the division of tax increment revenue provided for in Iowa Code Chapter 403 (tax increment financing.)

#### **F. SEVERABILITY**

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

#### **G. AMENDMENT OF APPROVED URBAN RENEWAL PLAN**

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

#### **H. ATTACHMENTS**

- A Legal Description for Area
- B Area Map
- C Existing Land Use Map

- D Proposed Land Use Map
- E Existing Zoning Map

## **Attachment A**

### **ECHO VALLEY AREA LEGAL DESCRIPTION**

Beginning at the intersection of the centerline of Border Street (Also known as Beardsley Street in Warren County, Iowa) and the centerline of Fleur Drive; Thence West along the centerline of Border Street/Beardsley Street to the West City Limits line of the City of Des Moines, as presently established; Thence North along the West City Limits line of the City of Des Moines, as presently established, to the centerline of Echo Valley Drive; Thence East along the centerline of Echo Valley Drive to the centerline of Fleur Drive; Thence South along the centerline of Fleur Drive to the Point of Beginning.

DRAFT

**Echo Valley Urban Renewal Area Map**

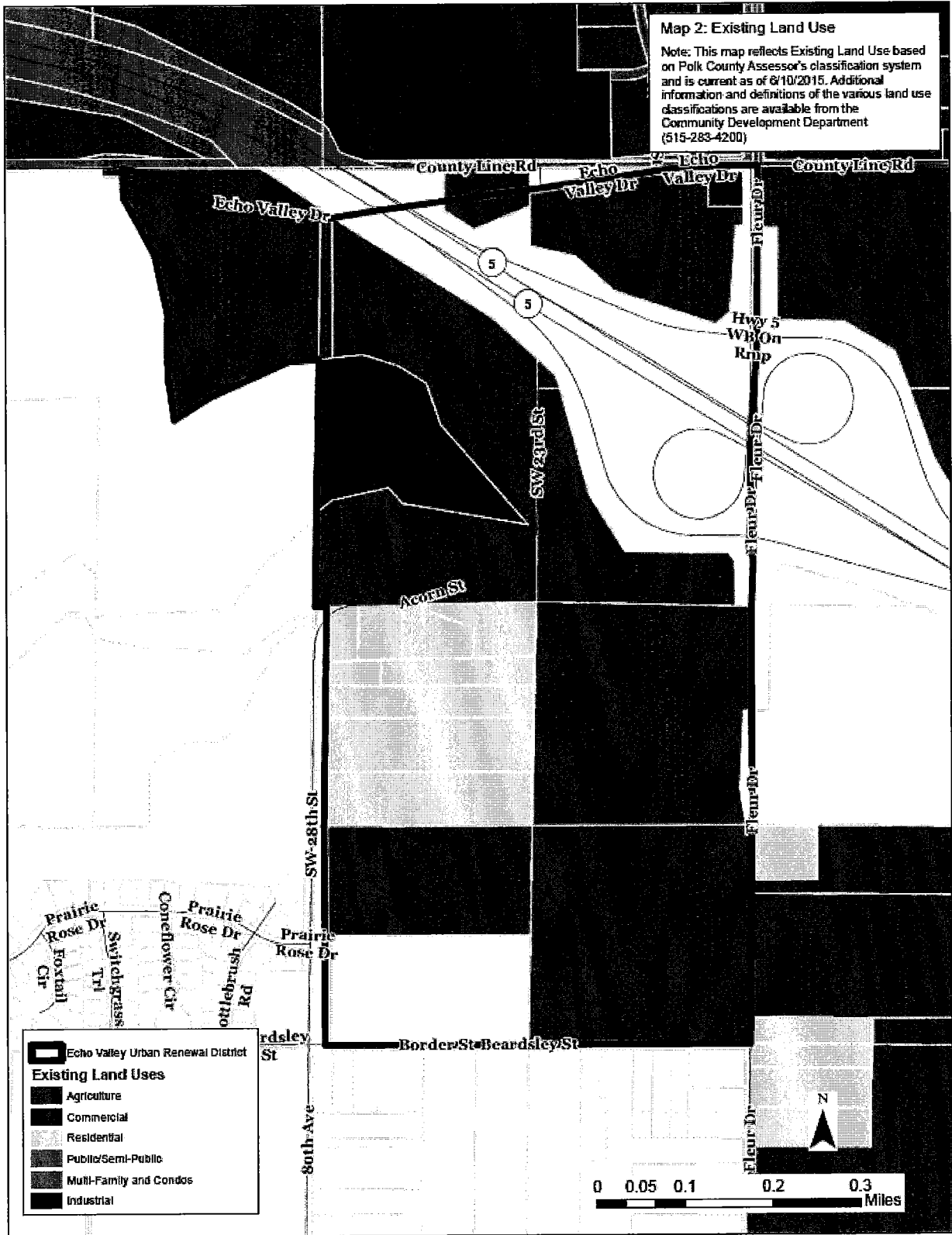
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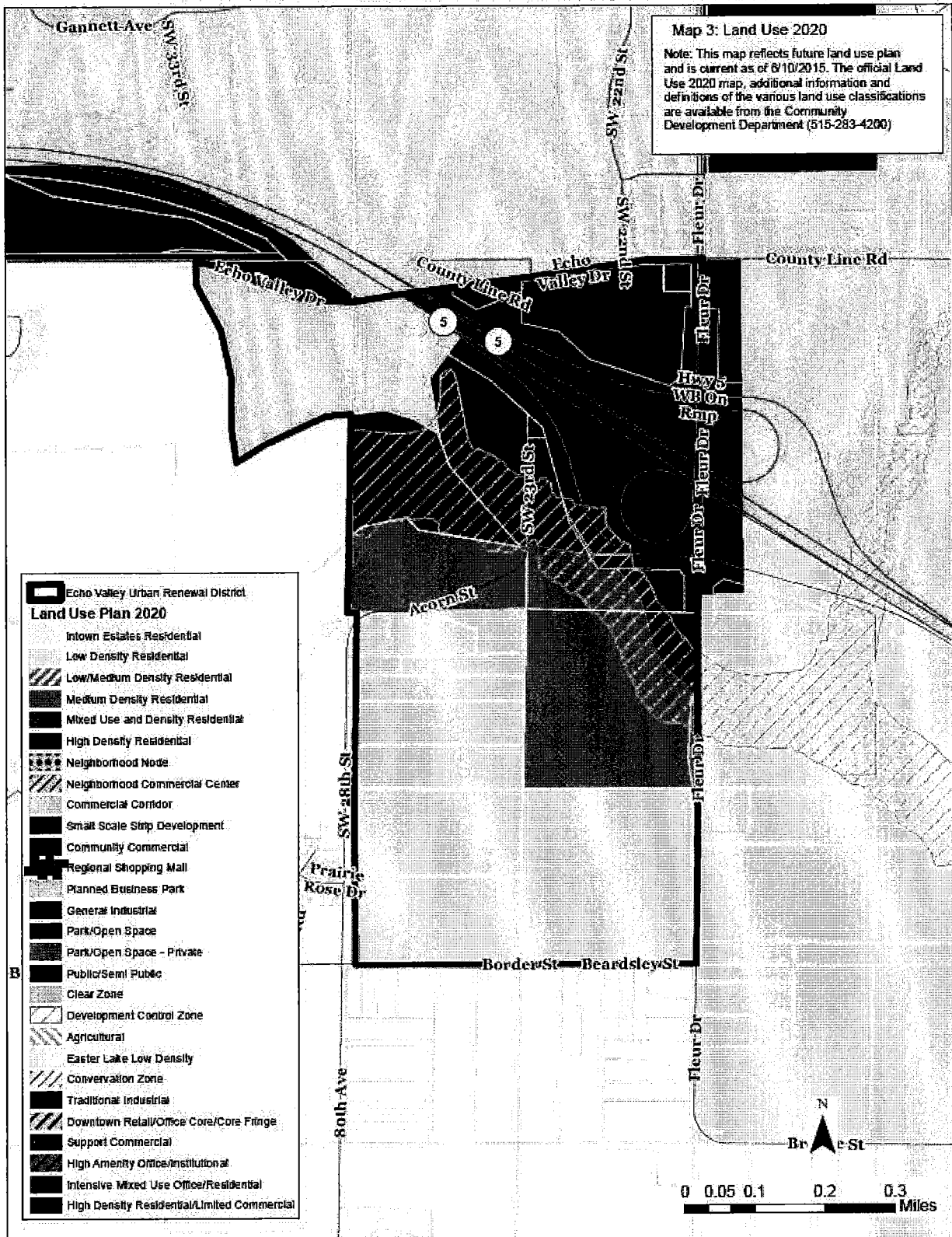
Existing Land Use Map

# Echo Valley Urban Renewal Area, Des Moines



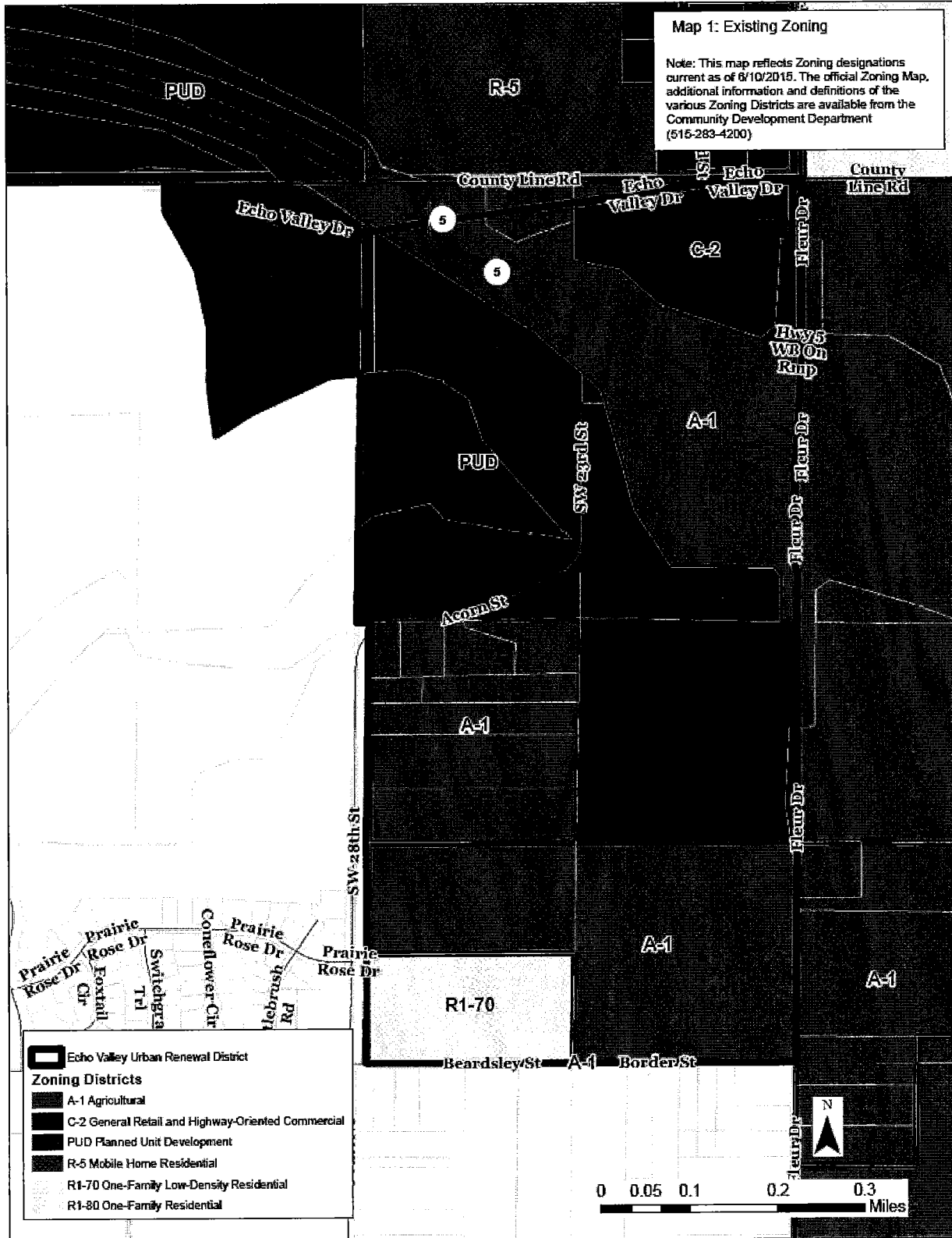
## Proposed Land Use

## Echo Valley Urban Renewal Area, Des Moines



Attachment E – Existing Zoning Map

# Echo Valley Urban Renewal Area, Des Moines



## I. APPENDICES

### **Financial Condition Report**

#### Urban Renewal History

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

A tax increment finance district, necessary for utilizing the revenue in the plan area, will be created for the Echo Valley Urban Renewal Area to facilitate the objectives of the plan.

#### Tax Increment Financing

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

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

Utilization of TIF is best in areas where development and creation of new increment will occur after the designation of the district. TIF can only be used for activities or items in the urban renewal plan. An example of an activity would be where the municipality issues TIF bonds to up front the costs of constructing needed infrastructure. The proceeds of the district are then used to pay off the bonds. This could also be accomplished through a development agreement where a private entity provided the infrastructure and then had all or a portion of the costs rebated back to them through the new valuation that was added from their investment. If the revenues are not utilized for any of these eligible costs, the increment is returned to general revenues.

This financial condition report will summarize the anticipated growth in revenues from, and expenditures anticipated for the Echo Valley Urban Renewal Area.

## Indebtedness and Bonding

No bonds have been issued for this area to date, and none are currently anticipated. At this time, conversation with landowners in the area has focused on assessing the condition of infrastructure in the area and working to facilitate extension of services that will allow more of the planning area to be opened up for development. The preferred methodology will be to have the private sector up front such improvements, and negotiate the rebate of such costs through the increment created when additional value is added to the property. The future revenues of the district have been projected conservatively, using existing valuation. Individual projects will be evaluated based on costs of extending improvements, anticipated new increment to be added, and timeframe to expect increment to be realized.

## Property Tax Assessments and Revenue

The City anticipates taking the necessary action to designate 1/1/2015 as the base valuation date for the Echo Valley Urban Renewal Area. Any increase in the property tax assessment over the existing assessment on the base valuation date may be captured for use in the Echo Valley area by the City.

The total Echo Valley property tax assessment base is approximately \$1.8M. The actual frozen base will be determined and certified by Warren County.

## Future Financial Condition

It is anticipated that the property values will increase in this urban renewal area, primarily due to anticipated economic development activity. The City will undertake future projects in cooperation with the private sector to enhance this area, which may include public infrastructure and development financial assistance as warranted and negotiated through the City Manager and the Office of Economic Development. It is anticipated that all development agreements will be reviewed and approved by the City Council. The terms of such agreements will be constructed to maximize the ability to successfully implement the objectives of the Plan, provide for quality building construction and site development, the construction of public improvements necessary for the development of commercial and light industrial uses and the creation of jobs. Performance standards and objectives will be incorporated into all agreements that must be satisfied before any use of public revenues. All use of tax increment financing will be subject to annual cashflow from the district.

Below is a table that projects estimated property valuations and revenues for the next twenty years, the length of the urban renewal plan. The table is based on the following assumptions:

- 1.5% annual growth rate in the area's land and building assessments after any current tax abatements are taken into account.
- A \$40/1000 levy rate, after the protected certified debt service levy is subtracted from the overall tax rate

- Follow Council policy adopted 3-24-97 that allows the City to expend up to 75% of the annual aggregated tax increment revenues from all TIF areas generated after January 1, 1996.
- The base value of the area.
- The plan boundary includes a substantial amount of vacant land; new valuation added to these areas would alter the projected TIF revenues, which have been conservatively estimated using the current base valuation.

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

<b>Fiscal Year</b>	<b>Taxable Valuation (Base 1,793,000)</b>	<b>Accumulated Increment Added</b>	<b>Projected TIF Revenues</b>	<b>Projected TIF Usage</b>
2016-2017	1,819,895	26,895	1,076	807
2017-2018	1,847,193	54,193	2,168	1,626
2018-2019	1,874,901	81,901	3,276	2,457
2019-2020	1,903,025	110,025	4,401	3,301
2020-2021	1,931,570	138,570	5,543	4,157
2021-2022	1,960,544	167,544	6,702	5,026
2022-2023	1,989,952	196,952	7,878	5,909
2023-2024	2,019,801	226,801	9,072	6,804
2024-2025	2,050,098	257,098	10,284	7,713
2025-2026	2,080,850	287,850	11,514	8,635
2026-2027	2,112,062	319,062	12,762	9,572
2027-2028	2,143,743	350,743	14,030	10,522
2028-2029	2,175,900	382,900	15,316	11,487
2029-2030	2,208,538	415,538	16,622	12,466
2030-2031	2,241,666	448,666	17,947	13,460
2031-2032	2,275,291	482,291	19,292	14,469
2032-2033	2,309,420	516,420	20,657	15,493
2033-2034	2,344,062	551,062	22,042	16,532
2034-2035	2,379,223	586,223	23,449	17,587
2035-2036	2,414,911	621,911	24,876	18,657

June 19, 2015

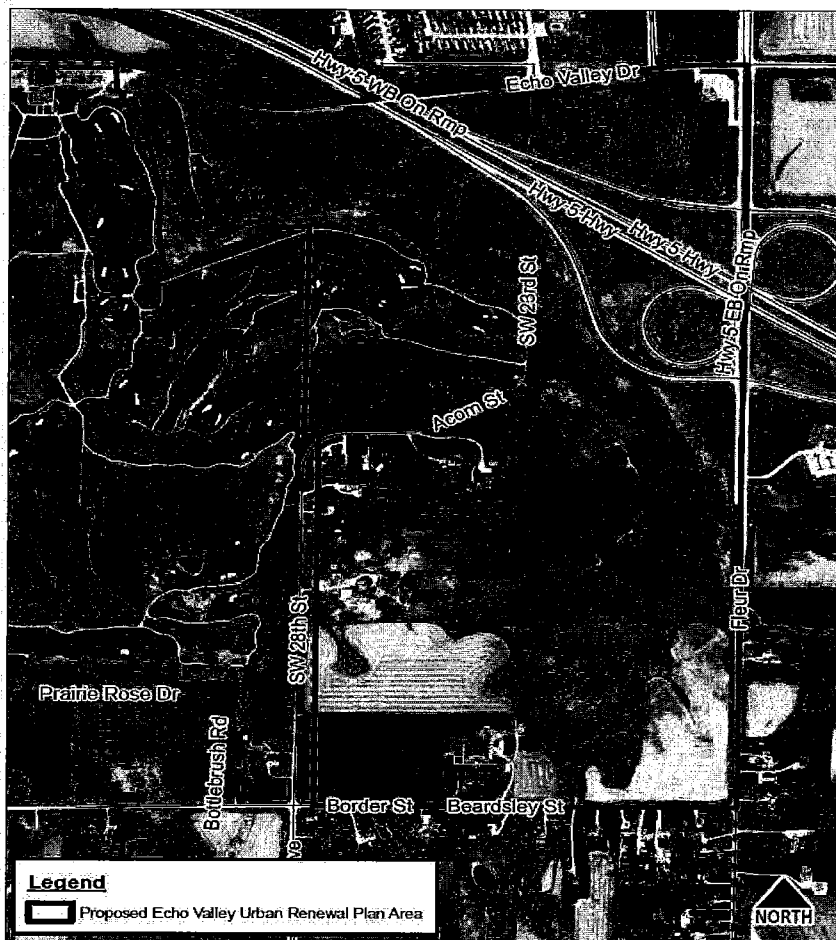
To the Honorable Mayor and City Council for the City of Des Moines:

**RE: PLANNING ADMINISTRATOR'S REPORT ON DESIGNATION OF PROPOSED ECHO VALLEY URBAN RENEWAL PLAN**

The City of Des Moines is proposing to designate an urban renewal area with a tax increment finance district component for Echo Valley, which will consist generally of the area between Echo Valley Drive, SW 28<sup>th</sup> Street, Beardsley Street and Fleur Drive.

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

The urban renewal area to be created and known as the Echo Valley Urban Renewal Area contains approximately 332 acres. A map is shown below.





## **BOUNDARY DESCRIPTION**

The boundary for this area includes property proposed for a mix of residential and commercial development. The area is generally bounded by Echo Valley Drive on the north, SW 28<sup>th</sup> Street on the west, Beardsley Street on the south, and Fleur Drive on the east. The legal description for the urban renewal area can be found as attachment "B" of the urban renewal plan.

## **BASIS FOR URBAN RENEWAL**

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

- Slum and /or blighted conditions
- Economic development area due to its appropriateness for commercial or industrial enterprises, for public improvements related to housing and residential development, or construction of housing and residential development for low and moderate income families, including single and multifamily housing

In accordance with the Code of Iowa, it is determined that the Echo Valley Urban Renewal Area qualifies as an economic development area due to its appropriateness for the development of commercial enterprises by attracting new private commercial development while retaining and expanding the existing commercial tax base and employment opportunities.

## **CONFORMANCE WITH COMPREHENSIVE PLAN**

The 2020 Community Character Plan proposes planned business park, commercial and medium density residential uses, which are the proposed uses for the Echo Valley area. It is recognized that there will be updates and amendments to the Des Moines 2020 Community Character Plan, in conjunction with this Urban Renewal Plan. These updates and amendments will provide zoning and land use classifications, as well as standards and regulations consistent with City of Des Moines intentions for this area. A priority of this urban renewal plan process will be to coordinate final review and approval of the Planned Unit Development plans, criteria and regulations for properties located in the Echo Valley development area.

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## **PLANNING RATIONALE**

The proposed Echo Valley Urban Renewal Area is approximately 332 acres in size. The area consists of property proposed for a mix of residential, commercial and business park development. The area is part of the City of Des Moines corporate boundary, located in Warren County. Sanitary sewer service and water service are available for the development area via past capital improvement projects by the Wastewater Reclamation Authority and the Des Moines Water Works.

The City of Des Moines conducted a lengthy annexation process from 1998 to 2009 that was designed to provide for the future growth of the City in a planned and orderly fashion, maximizing the ability of the City to capture new taxable valuation for the benefit of both current and future residents. The Echo Valley area property was originally included in this boundary, and was subsequently voluntarily annexed into the City in 2002. The anticipated development activity has not followed, and limited new taxable valuation has been created. The 332 Echo Valley acres are currently valued at \$1.8 million.

Factors that would appear to lend to creating development momentum in the area, including the highway proximity and the presence of infrastructure, have been unable to result in the market taking any level of risk to initiate new investment here. The City of Des Moines has the ability to strategically target economic development tools to maximize the area's ability to be regionally competitive and create growth in valuation for the community.

The City is currently engaged in an update to the 2020 Community Character Plan that serves as the Comprehensive Plan. The recommendations from the updated Plan will be utilized in this Urban Renewal Area to guide its development.

It is appropriate to designate Echo Valley as an Urban Renewal Area based on its economic development potential, and the need to facilitate and guide new investment. The creation of this Urban Renewal Area will allow for the use of tax increment financing to assist with infrastructure improvements and economic development financial assistance as needed. This will result in new business opportunities and employment, benefit the area, and provide increased tax base for the City of Des Moines.

## **SUMMARY**

The Echo Valley area has the ability to attract the highest level of quality and value in new development for this area. The adoption of this plan and the implementation of its goals and objectives will begin to provide the framework, guidelines and incentives needed for this to occur.

Michael G. Ludwig  
Planning Administrator