



Date September 14, 2015

RESOLUTION CLOSING HEARING ON THE PROPOSED ECHO VALLEY URBAN RENEWAL PLAN, AND ADOPTING SAME

WHEREAS, the proposed Echo Valley Urban Renewal Area is located west of Fleur Drive, north of Border Street, east of SW 28th Street (also known as 80th Avenue in unincorporated Warren County), and south of the Warren/Polk county line, all as shown on the map attached hereto as Exhibit "A" and more specifically described as follows:

Beginning at the intersection of the North line of Warren County and the centerline of Fleur Drive; Thence South along said centerline of Fleur Drive to the South line of the Northeast Quarter (1/4) of the Southwest Quarter (1/4) of Section 5, Township 77 North, Range 24 West of the 5th P.M.; Thence West along said South line to the West line of said Northeast Quarter (1/4) of the Southwest Quarter (1/4) of Section 5, Township 77 North, Range 24 West of the 5th P.M.; Thence North along said West line to the North line of said Southwest Quarter (1/4) of Section 5, Township 77 North, Range 24 West of the 5th P.M.; Thence West along said North line to a Westerly City Limits line of the City of Des Moines, as presently established; Thence North along said Westerly City Limits line to a Southerly City Limits line of the City of Des Moines, as presently established; Thence Southwesterly along said Southerly City Limits line to a Westerly City Limits line of the City of Des Moines, as presently established; Thence North along said Westerly City Limits line to the North line of Warren County; Thence East along said North line to the centerline of Fleur Drive and the Point of Beginning. (Containing approximately 230 acres, more or less.)

WHEREAS, the Office of Economic Development has prepared an urban renewal plan which is titled Echo Valley Urban Renewal Plan and is on file and available for public inspection in the office of the City Clerk; and,

WHEREAS, the Echo Valley Urban Renewal Plan (hereinafter referred to as the "Plan") seeks to guide the development of and stimulate private economic investment activities within the Echo Valley Urban Renewal Area through the provision of infrastructure improvements and economic development financial assistance that is provided, in part, with the tax increment revenues generated in the urban renewal area; and,

WHEREAS, on June 22, 2015, by Roll Call No. 15-1021, the City Council resolved that a public hearing on the proposed Plan be held on July 27, 2015, in the City Council Chambers; and,

WHEREAS, notice of this public hearing in the form attached hereto as Exhibit "B" was published in the Des Moines Register on July 9, 2015, which notice sets forth the information required by Section 403.5(3) of the Iowa Code; and,



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Date ..... September 14, 2015 .....

WHEREAS, notice was given by ordinary mail to the Norwalk Community School District, Des Moines Area Community College, and Warren County of a consultation meeting in the Kofu Conference Room, at City Hall, at 3:00 p.m. on July 9, 2015; and,

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

WHEREAS, the City Plan and Zoning Commission reviewed the proposed Plan for conformity with the adopted comprehensive plan for the development of the City as a whole, being the Des Moines 2020 Community Character Plan, as revised, at its meeting on July 16, 2015, and made recommendations which were received and filed under a separate resolution; and,

WHEREAS, the Urban Design Renewal Board reviewed the proposed Plan at its meeting on July 21, 2015, and recommended approval of the Plan; and,

WHEREAS, on July 27, 2015, by Roll Call No. 15-1280, and on August 24, 2015, by Roll Call No. 15-1452, the City Council continued the public hearing until September 14, 2015, at 5:00 p.m.; and,

WHEREAS, the proposed Echo Valley Urban Renewal Plan has been amended to exclude several parcels assessed for taxation as agricultural or residential property; and,

WHEREAS, the public hearing has now been opened and all persons and organizations desiring to be heard regarding the proposed 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 *Echo Valley Urban Renewal Plan* is hereby closed.
2. Upon consideration of the recommendation of the Plan and Zoning Commission and the recommendations and statements from all other interested parties and organizations, the City Council hereby makes the following findings:
  - a) The proposed Plan conforms to the Des Moines 2020 Community Character Plan, as amended, for the development of the City as a whole.
  - b) The Plan does not provide for the involuntary acquisition of any land by the City, and does not identify any land planned for acquisition. However, property may be acquired in the future by voluntary acquisition or otherwise for the extension of public utilities and infrastructure necessary to properly serve the area.



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- c) The City will assist in the relocation of any residents and businesses displaced by public actions undertaken pursuant to the urban renewal project. If the City provides relocation assistance, displaced residents and businesses will be provided with the opportunity to relocate to accommodations which are decent, safe, and sanitary, and within their financial means in accordance with the established City's standard relocation policy unless otherwise required by funding source regulations and any other applicable requirements.
- d) The owners of all property remaining within the Echo Valley Urban Renewal Area and assessed as agricultural property have consented in writing to the inclusion of their agriculturally assessed property within the urban renewal area.

3. The *Urban Renewal Plan for the Echo Valley Urban Renewal Area* is hereby approved and adopted, and shall hereafter be in full force and effect.

4. The City Clerk is hereby authorized and directed to file a certified copy of the Plan and of this Resolution in the office of the Warren County Recorder.

( Council Communication No. 15- 497 )

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

FORM APPROVED:

Roger K. Brown  
 Roger K. Brown  
 Assistant City Attorney  
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Exhibits:  
 A – Map of Echo Valley Urban Renewal Area  
 B – Notice of Hearing  
 C – Echo Valley Urban Renewal Plan

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

**CERTIFICATE**

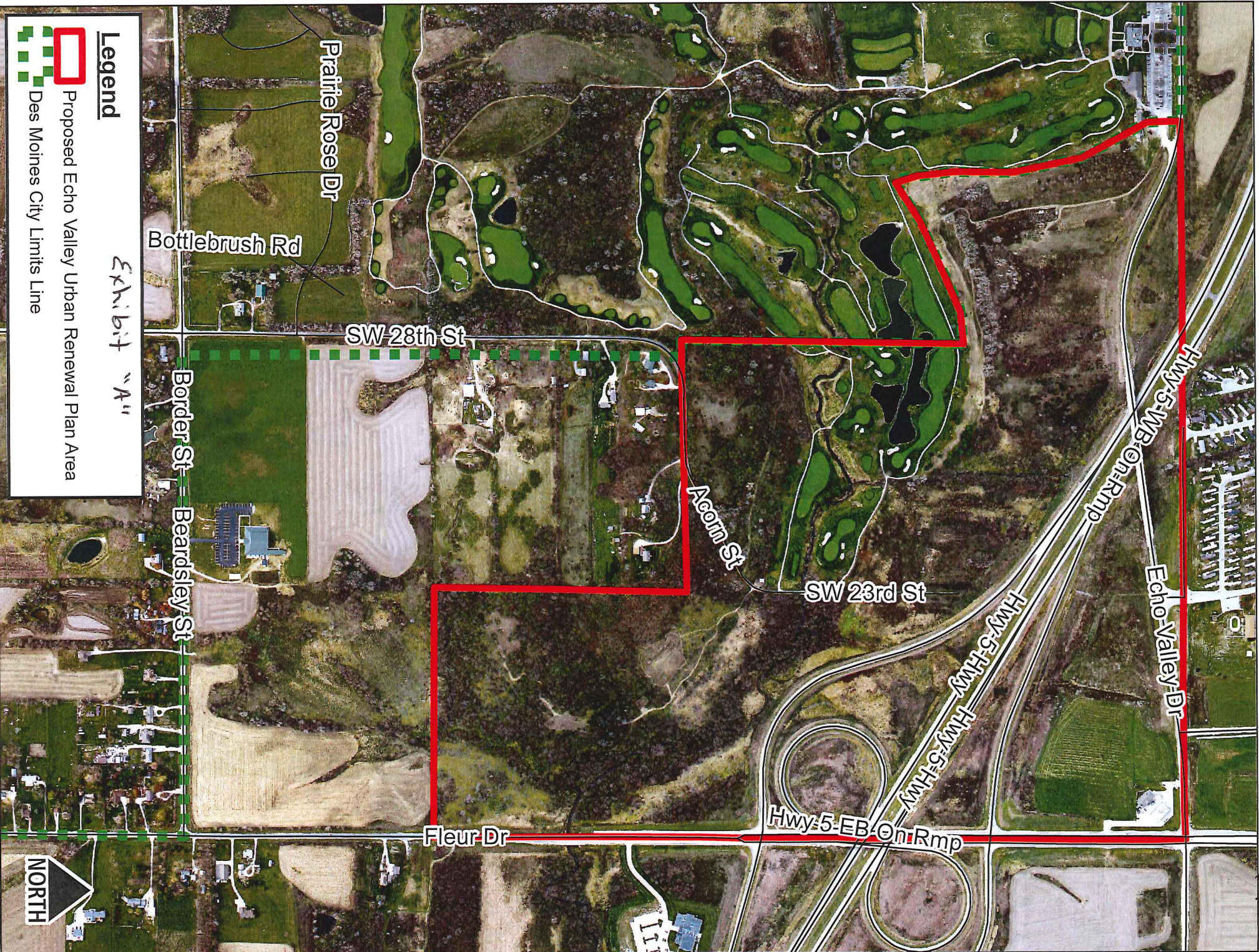
I, DIANE RAUH, City Clerk of said City hereby certify that at a meeting of the City Council of said City of Des Moines, held on the above date, among other proceedings the above was adopted.

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

\_\_\_\_\_ Mayor

\_\_\_\_\_ City Clerk

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**Legend**



Proposed Echo Valley Urban Renewal Plan Area  
 Des Moines City Limits Line

Exhibit "A"



15-1021 20  
JUN 22 2015  
b4c  
Exhibit "B"

Register Order No. 9141      Roll Call      Legal      Bulletin Board      Followup

### NOTICE OF PUBLIC HEARING

The City Council of the City of Des Moines, Iowa, will hold a public hearing on July 27, 2015, at 5:00 p.m. in the Council Chamber at City Hall, 400 Robert D. Ray Drive, Des Moines, Iowa, to consider the proposed Urban Renewal Plan for the Echo Valley Urban Renewal Area (hereinafter referred to as the "Plan"). The proposed Echo Valley Urban Renewal Area is located south of Echo Valley Drive, West of Fleur Drive, and north of Border Street (also known as Beardsley Street). A copy of the proposed Plan is on file and available for public inspection in the office of the City Clerk.

The purpose of the Plan is to encourage private development of the vacant and underutilized properties within this area for high quality commercial and residential use through provision of additional public infrastructure and economic development financial assistance that will be funded in part with tax increment financing revenues generated by the proposed urban renewal area. If the Plan is approved, the City may cause the Plan to be carried out in accordance with its terms.

Any person or organization desiring to be heard, for or against the proposed urban renewal plan will be afforded an opportunity to be heard at such hearing. Any person or organization desiring to submit written material regarding this issue may direct such written material to the Office of the City Clerk, City Hall, 400 Robert D. Ray Drive, Des Moines, Iowa, 50309, prior to the start of the City Council meeting on July 27, 2015 at 4:30 p.m.

CITY OF DES MOINES, IOWA  
T.M. Franklin Cownie, Mayor

Published in the Des Moines Register on July 9, 2015.



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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. Generally, the area located west of Fleur Drive, north of Border Street, (the south boundary is located on land north of Border Street ) east of SW 28<sup>th</sup> Street and south of County Line Road and Echo Valley Drive adjacent to the Highway 5 bypass. The proximity of this area to the Highway 5/65 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 businesses 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 229.68 acres, and runs generally west of Fleur Drive, north of Border Street, east of SW 28<sup>th</sup> Street along the city boundary and south of County Line Road and Echo Valley Drive adjacent to the Highway 5 bypass. 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.

## 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 commercial 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. The City is currently engaged in a process to update the Comprehensive Plan. This Urban Renewal Plan will be implemented and amended accordingly to incorporate goals, objectives and recommendations from that updated plan, following its adoption.

## 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 Planning and Zoning Commission for conformance with the 2020 Plan. The City is currently engaged in a process to update the Comprehensive Plan. This Urban Renewal Plan will be implemented and amended accordingly to incorporate goals, objectives and recommendations from that updated plan, following its adoption.

## 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 business parks, highway commercial 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, business 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, business parks, retail, mixed use 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.

### 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, 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 ensure safe, standardized construction of improvements 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 tax abatement is in place, it will reduce the amount of tax increment created by the district. Therefore in certain cases it may be necessary for developers to forego tax abatement 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.)

The Development and Redevelopment Requirements established, or as amended from time to time by the City of Des Moines Zoning Ordinance, shall remain in effect in perpetuity.

#### **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

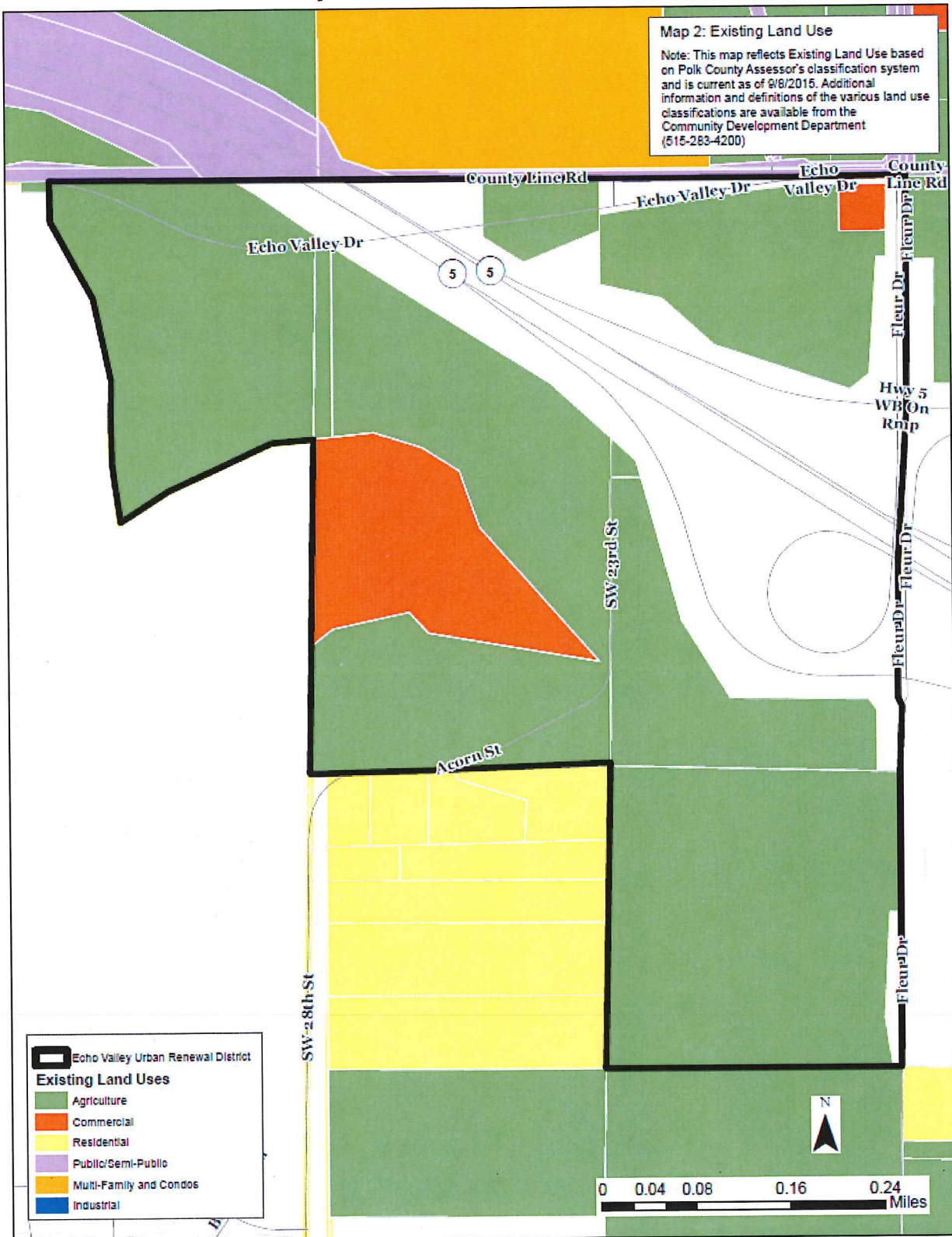
### ECHO VALLEY AREA LEGAL DESCRIPTION

Beginning at the intersection of the North line of Warren County and the centerline of Fleur Drive; Thence South along said centerline of Fleur Drive to the South line of the Northeast Quarter (1/4) of the Southwest Quarter (1/4) of Section 5, Township 77 North, Range 24 West of the 5th P.M.; Thence West along said South line to the West line of said Northeast Quarter (1/4) of the Southwest Quarter (1/4) of Section 5, Township 77 North, Range 24 West of the 5th P.M.; Thence North along said West line to the North line of said Southwest Quarter (1/4) of Section 5, Township 77 North, Range 24 West of the 5th P.M.; Thence West along said North line to a Westerly City Limits line of the City of Des Moines, as presently established; Thence North along said Westerly City Limits line to a Southerly City Limits line of the City of Des Moines, as presently established; Thence Southwesterly along said Southerly City Limits line to a Westerly City Limits line of the City of Des Moines, as presently established; Thence North along said Westerly City Limits line to the North line of Warren County; Thence East along said North line to the centerline of Fleur Drive and the Point of Beginning.

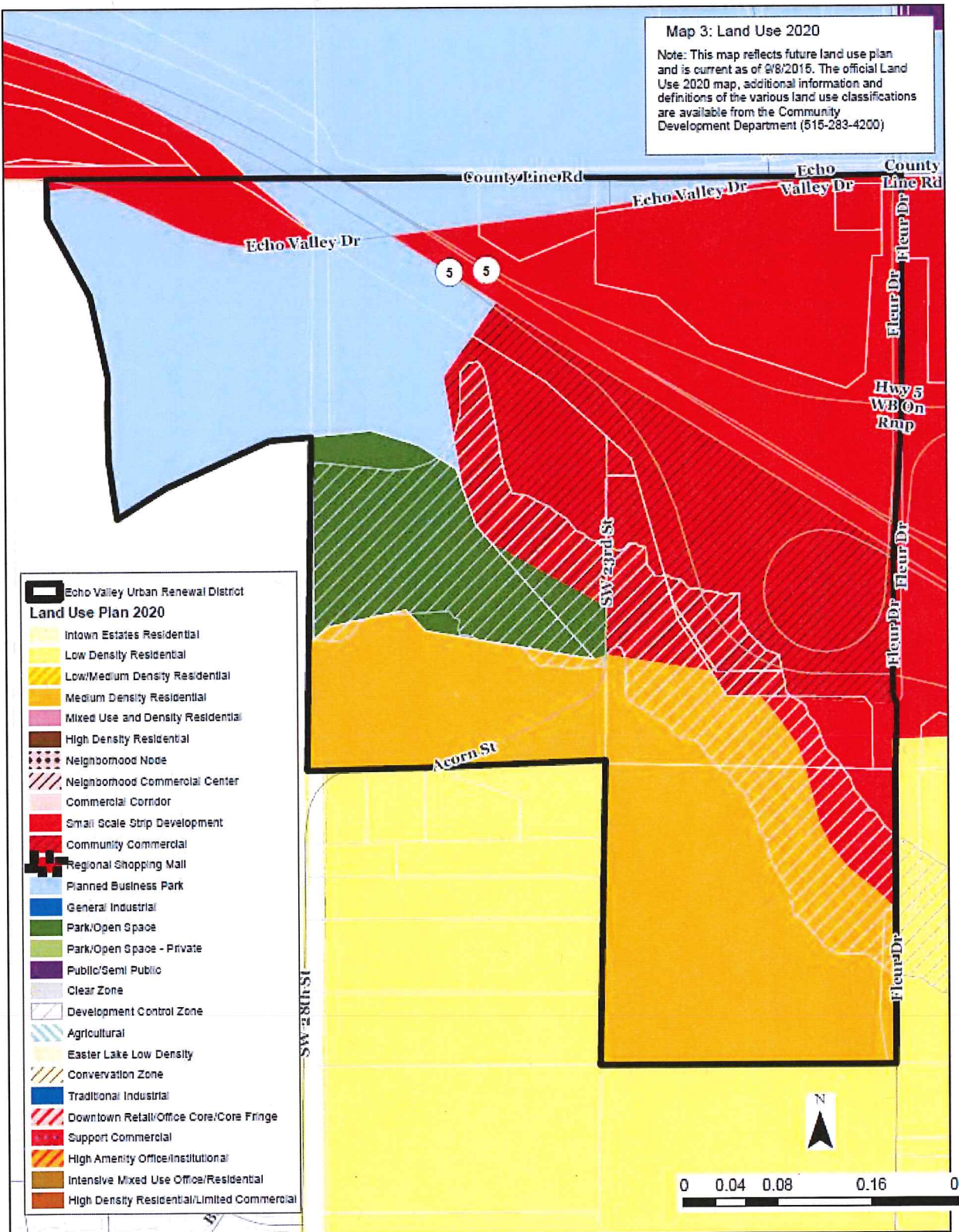
# Attachment B – Echo Valley Urban Renewal Area Map



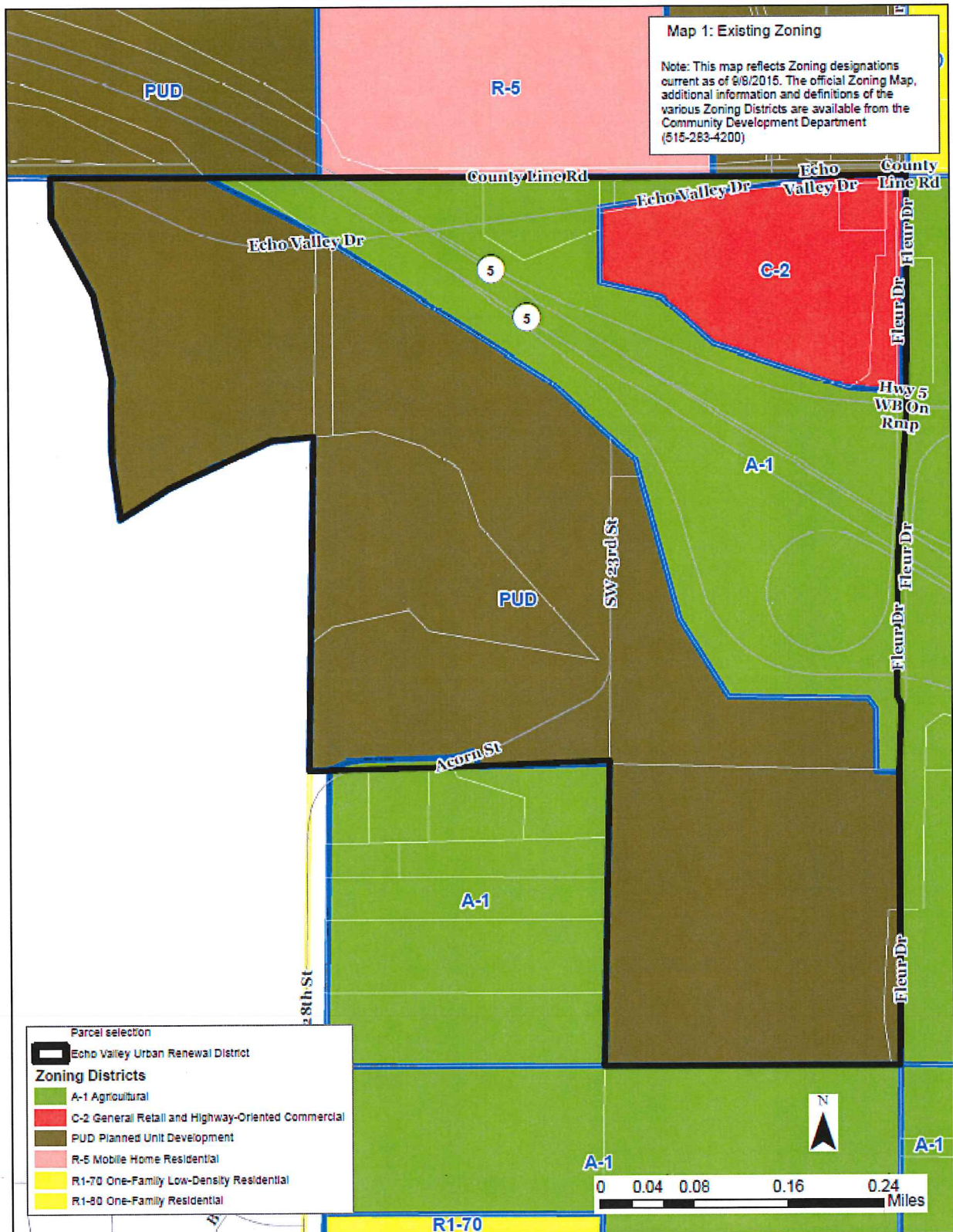
## Attachment C – Existing Land Use Map Echo Valley Urban Renewal Area, Des Moines



# Attachment D – 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 \$1.5M. 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 1,501,300)</b>	<b>Accumulated Increment Added</b>	<b>Projected TIF Revenues</b>	<b>Projected TIF Usage</b>
2016-2017	1,523,820	22,519	901	676
2017-2018	1,546,677	45,377	1,815	1,361
2018-2019	1,569,877	68,577	2,743	2,057
2019-2020	1,593,425	92,125	3,685	2,764
2020-2021	1,617,326	116,026	4,641	3,481
2021-2022	1,641,586	140,286	5,611	4,209
2022-2023	1,666,210	164,910	6,596	4,947
2023-2024	1,691,203	189,903	7,596	5,697
2024-2025	1,716,571	215,271	8,611	6,458
2025-2026	1,742,320	241,020	9,641	7,231
2026-2027	1,768,455	267,155	10,686	8,015
2027-2028	1,794,982	293,682	11,747	8,810
2028-2029	1,821,906	320,606	12,824	9,618
2029-2030	1,849,235	347,935	13,917	10,438
2030-2031	1,876,973	375,673	15,027	11,270
2031-2032	1,905,128	403,828	16,153	12,115
2032-2033	1,933,705	432,405	17,296	12,972
2033-2034	1,962,710	461,410	18,456	13,842
2034-2035	1,992,151	490,851	19,634	14,726
2035-2036	2,022,033	520,733	20,829	15,622



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September 14, 2015

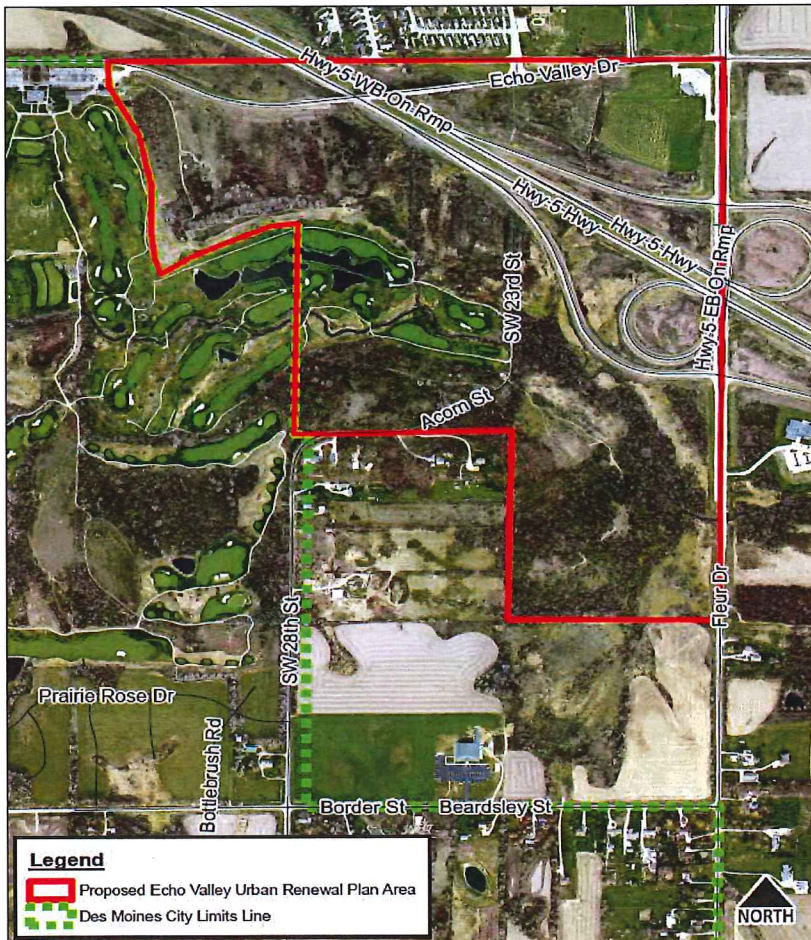
To the Honorable Mayor and City Council for the City of Des Moines:

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, County Line Road, SW 28<sup>th</sup> Street, Border 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 229.68 acres. A map is shown below.



## **BOUNDARY DESCRIPTION**

The boundary for this area includes property proposed for a mix of single family residential, retail, office, multifamily residential and commercial development. The area is generally bounded by County Line Road and Echo Valley Drive on the north, SW 28<sup>th</sup> Street on the west, Border Street on the south (the technical boundary is located in a section of land north of Border Street), 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, and also due to its appropriateness for residential development by assisting in the construction of public improvements related to housing and residential development.

## **CONFORMANCE WITH COMPREHENSIVE PLAN**

The 2020 Community Character Plan proposes planned business park, and commercial and medium density residential uses, which are included as 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. The City of Des Moines is currently engaged in a process to update its Comprehensive Plan. The Comprehensive Plan will be used to guide the development of the Echo Valley area.

The Echo Valley Urban Renewal Plan will be implemented and may be amended over time to incorporate additional recommendations, goals, objectives and strategies put forward in the Comprehensive Plan, when adopted.

### **PLANNING RATIONALE**

The proposed Echo Valley Urban Renewal Area is approximately 230 acres in size. The area consists of property proposed for a mix of single family residential, multifamily residential, commercial, office, retail 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 Echo Valley Urban Renewal Plan acres are currently valued at approximately \$1.5 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.

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