



Date September 28, 2015

**CLOSING PUBLIC HEARING ON THE PROPOSED
FIFTH AMENDMENT TO THE URBAN RENEWAL PLAN FOR THE
GUTHRIE AVENUE BUSINESS PARK URBAN RENEWAL AREA**

WHEREAS, on September 26, 1988, by Roll Call No. 88-4238, the City Council of the City of Des Moines approved the Urban Renewal Plan for the Guthrie Avenue Business Park Urban Renewal Project, and such Plan has been amended four times (the urban renewal plan as so amended is herein referred to as the "Plan"); and

WHEREAS, the Guthrie Avenue Business Park Urban Renewal Project Area encompasses an area generally bounded by Guthrie Avenue to the north, Washington Avenue to the south, the Union Pacific railroad right-of-way to the east and East 17th Street to the west; and

WHEREAS, on August 24, 2015, by Roll Call No. 15-1439, the City Council resolved that a public hearing on the proposed Fifth Amendment to the Plan be held on September 28, 2015 at 5:00 p.m. in the City Council Chamber; and

WHEREAS, the purpose of the proposed Fifth Amendment, attached hereto as Exhibit "A", is to incorporate a description of approved economic development and redevelopment activities within the Urban Renewal Area, and to update the Financial Condition Report; and

WHEREAS, the Urban Design Review Board reviewed the proposed amendment at its regular meeting of September 15, 2015, and has submitted its report and recommendation to the City Council; and

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

WHEREAS, a copy of the Fifth Amendment was sent by ordinary mail to the Des Moines Independent Community School District, Des Moines Area Community College, and Polk County, and representatives of such taxing entities were also invited to a consultation meeting held in City Hall on September 4, 2015; and

WHEREAS, the City has received no objections or requests for modifications from the Des Moines Independent Community School District, Des Moines Area Community College, or Polk County to the proposed Fifth Amendment; and

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



Roll Call Number

Agenda Item Number

54

Date September 28, 2015

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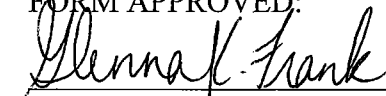
NOW THEREFORE, BE IT RESOLVED, by the City Council of the City of Des Moines, Iowa, as follows:

1. The public hearing on the proposed Fifth Amendment to the Urban Renewal Plan for the Guthrie Avenue Business Park Urban Renewal Area is hereby closed.
2. Upon consideration of the recommendations of the Urban Design Review Board, and all other recommendations and statements from all other interested parties and organizations, the City Council finds that the Fifth Amendment conforms to the Des Moines 2020 Community Character Land Use Plan, as amended, for the development of the City as a whole.
3. The Urban Renewal Plan for the Guthrie Avenue Business Park Urban Renewal Area is hereby amended as set forth in the Fifth Amendment attached hereto as Exhibit "A", and the Urban Renewal Plan for the Guthrie Avenue Business Park Urban Renewal Area, as amended by the Fifth Amendment thereto, is hereafter in full force and effect.
4. The City Clerk is directed to cause the Fifth Amendment and a certified copy of this resolution to be recorded in the land records of the Polk County Recorder.

(Council Comm. No. 15-520)

MOVED BY _____ to adopt.

FORM APPROVED:



Glenna K. Frank, Assistant City Attorney

Exhibits:

"A" – Fifth Amendment

"B" – Notice of Public Hearing

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

Prepared by: Rita Conner, Office of Economic Development – City of Des Moines, 400 Robert
D. Ray Drive, Des Moines, Iowa 50309 515-283-4019
Return to: City Clerk - City of Des Moines, 400 Robert D. Ray Drive, Des Moines, Iowa
50309

Related Documents: Guthrie Avenue Business Park Urban Renewal Plan recorded on
September 30, 1988, in Book 5958, commencing at Page 44

**Fifth Amendment
to the Urban Renewal Plan
for the
Guthrie Avenue Business Park Urban Renewal Area**

Approval Proceedings:

Reviewed by Urban Design Review Board on _____

Taxing Entities Consultation on September 4, 2015

Approved by City Council by Roll Call No. 15-_____ passed _____

HISTORY

The Urban Renewal Plan for the Guthrie Avenue Business Park Urban Renewal Area was adopted September 26, 1988 by Roll Call 88-4238.

The plan and its subsequent amendment have been recorded in the land records of the Polk County Recorder as follows:

<i>Amendment</i>	<i>Roll Call No.</i>	<i>Adopted Date</i>	<i>Recorded Book</i>	<i>Beginning at Page</i>
Urban Renewal Plan	88-4238	9-26-88	5958	44
First Amendment	90-3173	7-16-90	6263	983
Second Amendment	93-510	2-15-93	6750	414
Third Amendment	09-1700	9-14-09	13210	274
Fourth Amendment	14-0567	4-7-14	15155	752

PURPOSE

The purpose of this Fifth Amendment to the Guthrie Avenue Business Park Urban Renewal Plan is to:

- Amend Appendix A "Approved Economic and Redevelopment Activities" which provides a summary of projects, including the plan to identify a new proposed project as the sale of the property to Doll Distributing LLC for redevelopment in the Guthrie Avenue Business Park boundary in accordance with the Urban Renewal Plan.
- Amend the Financial Condition Report to update anticipated use of tax increment funds in the future.

Fifth Amendment to the Guthrie Avenue Business Park Urban Renewal Plan

1. Amend Appendix A: Description of economic development and redevelopment activities, including the Doll Distributing, LLC project, approved by City Council for sale of land.
2. Financial Condition Report
 - Delete Financial Condition Report Fourth Amendment dated April 24, 2014
 - Replace with Financial Condition Report Fifth Amendment dated August 24, 2015 (attached on following page)

APPENDIX A
Approved Economic Development and Redevelopment Activities

The following list identifies the projects currently approved or anticipated by the Des Moines City Council for receipt of tax increment funds within the Guthrie Avenue Business Park Urban Renewal Plan Area, or other identified public funds:

- Remaining bond debt service through 2016.
- Development Agreement with Benjamin and Louis Zenti (dba Central Wire and Iron) approved by City Council January 12, 2009 by Roll Call No. 09-044. The development agreement provided for the purchase of 2.11 acres of City owned land in the Guthrie Avenue Business Park and the construction of a minimum 10,000 square foot light industrial building for manufacturing operations. Following the 3 year 100% tax abatement period, the development agreement provides for a seven year Economic Development Grant from project generated tax increment on the improvements.
- Development Agreement with Doll Distributing, LLC for the purchase of 1.11 acres of land in the Guthrie Avenue Business Park for the expansion of their existing distribution operations at 1901 DeWolf Street.
- Acquisition of property
- Sale of property

FINANCIAL CONDITION REPORT

August 24, 2015

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 also 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 an invaluable tool to help local government respond to the need to broaden economic reinvestment in all sectors.

By Iowa Code, Chapter 403, urban renewal areas are required to contain one or more of the following conditions:

- Slum and/or blighted areas
- Economic development areas

The Guthrie Avenue Business Park Urban Renewal Plan has been prepared and approved by City Council to acknowledge that slum and blighted conditions exist in the plan area.

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 most effective in areas where development and creation of new tax increment will occur after the designation of the district. TIF can only be used for activities or items in the urban renewal plan. For example, a municipality may issue bonds to up-front the costs of constructing needed infrastructure. The tax increment from the district could then be used to pay off the bonds. This can also be accomplished through a development agreement where a private entity provides the infrastructure and receives financial assistance for their

overall project from the City funded by the incremental tax revenues created by their investment. If the revenues are not utilized for any of these eligible costs, the increment is returned to general revenues of the several taxing entities.

A tax increment finance district, necessary for utilizing the tax increment in the District, was created for the Guthrie Avenue Business Park Urban Renewal Area to facilitate the objectives of the Plan.

This financial condition report summarizes bonds issued to date, outstanding indebtedness, projected revenues, and expenditures anticipated for the Guthrie Avenue Business Park Urban Renewal Area.

Indebtedness and Bonding

The current general obligation debt and other debt subject to the constitutional debt limit for the City of Des Moines is approximately \$439 million. The current constitutional debt limit is \$542 million.

The Guthrie Avenue Business Park Urban Renewal Area has a total of \$5,020 in outstanding bonded debt scheduled to be paid off on June 1, 2016 and an Urban Renewal Development Agreement with Benjamin & Louis Zenti for property tax rebates through June 30, 2021 of approximately \$144,434 remaining.

Property Tax Assessments and Revenue

1988 was the year that the base valuation was set for the Guthrie Avenue Business Park Urban Renewal Area. Any increase in the property tax assessment over the assessment on the base valuation date may be captured for use in the Guthrie Avenue Business Park Urban Renewal Area by the City.

The total Guthrie Avenue Business Park property tax assessment is approximately \$40M as of January 1, 2014.

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

Future Financial Condition

Shown below is a table that shows actual revenues to the Guthrie Avenue Business Park Urban Renewal Area from 1988-2014 and a table that projects estimated property tax revenues and expenditures from the Guthrie Avenue Business Park Urban Renewal Area through 2028.

Expenditures shown in past years reflect projects and expenditures that were approved by City Council. Property valuations and revenues through 2028 have been estimated. The estimates are based on the following assumptions:

- 1.5% annual growth rate in the area's land and building assessments after any current tax abatements are taken into account.
- A \$40/1000 levy rate, after the protected certified debt service levy is subtracted from the overall tax rate.
- Follow Council policy adopted March 24, 1997, allows the City to expend up to 75% of the annual aggregated tax increment revenues from all TIF areas generated after January 1, 1996.

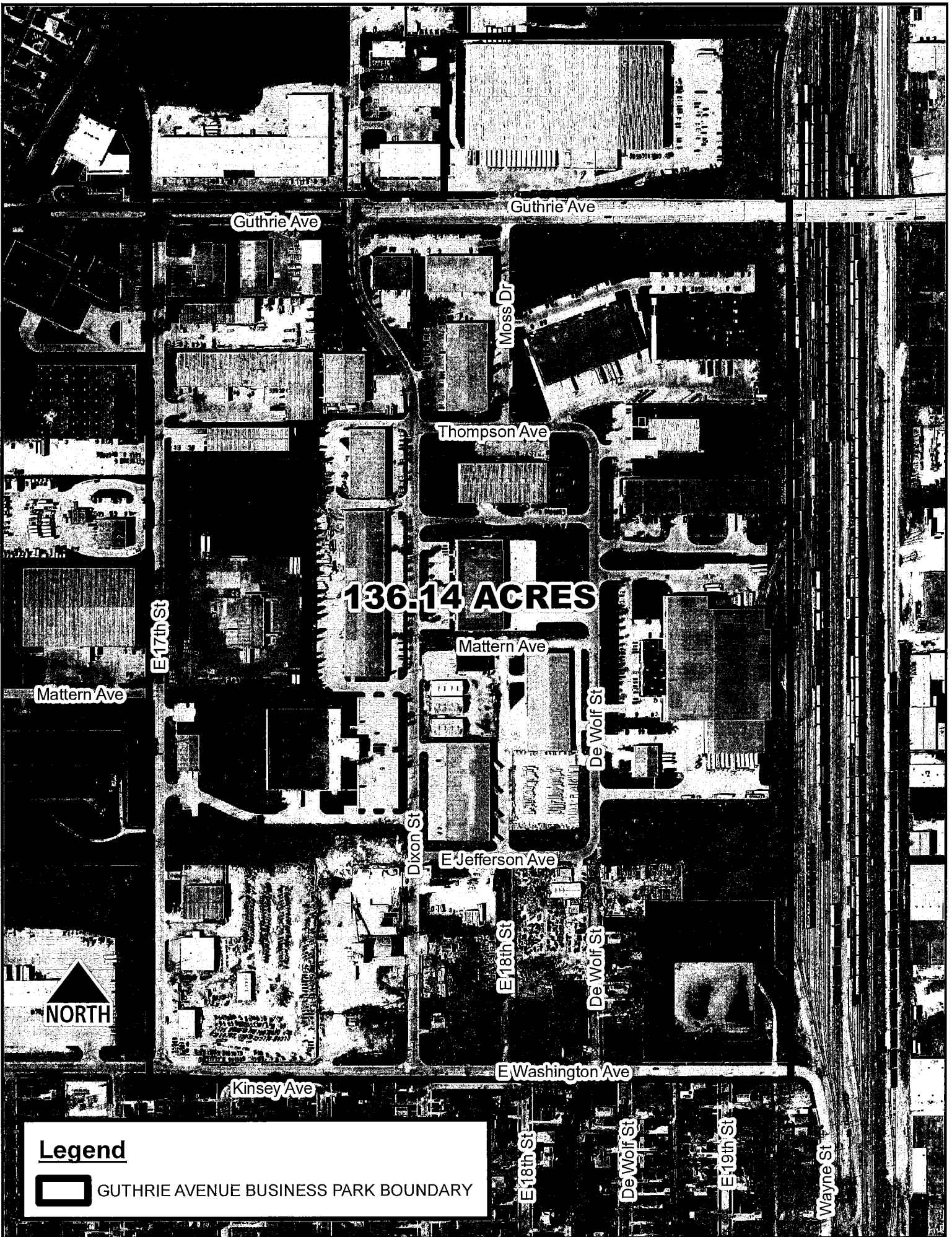
Actual TIF Revenues for Guthrie Avenue Business Park 1988-2014

Valuation Date	Base Valuation	Increment Valuation Available for TIF	Increment Valuation Used for TIF	Property Tax Revenue Available from TIF	Property Tax Revenue Used from TIF	Increment Valuation Returned
1988	\$3,731,851	\$0	\$0		\$0	\$0
1989	\$3,731,851	\$0	\$0		\$0	\$0
1990	\$3,676,511	\$11,702	\$11,702	\$468	\$436	\$0
1991	\$3,672,011	\$19,396	\$19,396	\$776	\$757	\$0
1992	\$3,675,011	\$20,349	\$20,349	\$814	\$802	\$0
1993	\$3,659,161	\$27,380	\$27,380	\$1,095	\$1,098	\$0
1994	\$3,652,365	\$130,025	\$130,025	\$5,201	\$5,067	\$0
1995	\$3,535,857	\$690,483	\$150,000	\$27,619	\$5,822	\$540,483
1996	\$3,649,661	\$1,522,798	\$1,500,000	\$60,912	\$59,223	\$22,798
1997	\$3,548,881	\$2,337,952	\$1,250,000	\$93,518	\$50,784	\$1,087,952
1998	\$3,678,711	\$5,891,075	\$2,960,000	\$235,643	\$117,880	\$2,931,075
1999	\$3,495,481	\$12,436,828	\$3,825,000	\$497,473	\$150,100	\$8,611,828
2000	\$3,680,001	\$12,514,606	\$800,000	\$500,584	\$31,553	\$11,714,606
2001	\$3,280,091	\$13,359,129	\$2,800,000	\$534,365	\$110,898	\$10,559,129
2002	\$3,621,740	\$15,599,550	\$4,800,000	\$623,982	\$190,034	\$10,799,550
2003	\$3,420,200	\$23,331,180	\$1,375,000	\$1,013,247	\$ 56,144	\$21,956,180
2004	\$3,620,810	\$28,785,420	\$7,000,000	\$1,151,417	\$341,246	\$21,785,420
2005	\$3,370,940	\$29,971,810	\$7,120,000	\$1,198,872	\$291,492	\$22,851,810
2006	\$3,630,680	\$31,333,270	\$945,000	\$1,253,331	\$39,407	\$30,388,270
2007	\$3,511,520	\$32,842,680	\$1,150,000	\$1,313,707	\$39,716	\$31,692,680
2008	\$3,606,710	\$34,085,850	\$975,000	\$1,363,434	\$38,007	\$33,110,850

2009	\$3,609,660	\$35,126,590	\$880,000	\$1,392,633	\$32,208	\$34,246,590
2010	\$3,613,290	\$39,655,190	\$708,000	\$1,605,952	\$29,992	\$38,947,190
2011	\$3,613,290	\$36,997,360	\$790,000	\$1,507,200	\$32,183	\$36,207,360
2012	\$3,613,290	\$37,220,534	\$577,774	\$1,465,992	\$22,757	\$36,642,760
2013	\$3,613,290	\$37,468,111	\$1,056,551	\$1,479,411	\$41,717	\$36,411,560
2014	\$3,613,290	\$36,301,568	\$734,490	\$1,454,014	\$29,419	\$35,567,078

Anticipated TIF Revenues for Guthrie Avenue Business Park 2015-2028

Valuation Date	Fiscal Year of Collection	Base Valuation	Estimated Increment Available for TIF	Estimated Increment Used for TIF	Projected Property Tax Revenue Available from TIF	Projected Property Tax Revenue Used from TIF	Projected Increment Valuation Returned
2015	2016-2017	\$3,613,290	\$36,846,092	\$601,000	\$1,475,686	\$24,072	\$36,245,092
2016	2017-2018	\$3,613,290	\$37,398,783	\$601,000	\$1,497,962	\$24,072	\$36,797,783
2017	2018-2019	\$3,613,290	\$37,959,765	\$601,000	\$1,520,431	\$24,072	\$37,358,765
2018	2019-2020	\$3,613,290	\$38,529,161	\$601,000	\$1,543,238	\$24,072	\$37,928,161
2019	2020-2021	\$3,613,290	\$39,107,099	\$601,000	\$1,566,386	\$24,072	\$38,506,099
2020	2021-2022	\$3,613,290	\$39,693,705	\$0	\$1,589,882	\$0	\$39,693,705
2021	2022-2023	\$3,613,290	\$40,289,111	\$0	\$1,613,730	\$0	\$40,289,111
2022	2023-2024	\$3,613,290	\$40,893,447	\$0	\$1,637,936	\$0	\$40,893,447
2023	2024-2025	\$3,613,290	\$41,506,849	\$0	\$1,662,505	\$0	\$41,506,849
2024	2025-2026	\$3,613,290	\$42,129,452	\$0	\$1,687,443	\$0	\$42,129,452
2025	2026-2027	\$3,613,290	\$42,761,393	\$0	\$1,712,755	\$0	\$42,761,393
2026	2027-2028	\$3,613,290	\$43,402,814	\$0	\$1,738,446	\$0	\$43,402,814
2027	2028-2029	\$3,613,290	\$44,053,857	\$0	\$1,764,523	\$0	\$44,053,857
2028	2029-2030	\$3,613,290	\$44,714,664	\$0	\$1,790,990	\$0	\$44,714,664



136.14 ACRES

NORTH

Legend



GUTHRIE AVENUE BUSINESS PARK BOUNDARY

AUG 24 2015

15-1439
54
35B
Exhibit "B"

Register Order No. 9293 Roll Call Legal Bulletin Board Follow-up

NOTICE OF PUBLIC HEARING ON PLAN AMENDMENT

The City Council of the City of Des Moines, Iowa, will hold a public hearing on September 28, 2015, at 5:00 p.m. in the City Council Chamber, City Hall, 400 Robert D. Ray Drive, Des Moines, Iowa, to consider the proposed Fifth Amendment to the Urban Renewal Plan for the Guthrie Avenue Business Park Urban Renewal Area. This urban renewal area is bounded on the north by Guthrie Avenue and the north property line of 1800 Guthrie Avenue, on the east by the Union Pacific Railroad, on the south by East Washington Avenue, and on the west by East 17th Street. The urban renewal plan seeks to enhance private development of the urban renewal area through provision of economic development financial assistance that will be provided in part with tax increment financing revenues to be generated in the area.

The purpose of the proposed Fifth Amendment is to update approved economic development and redevelopment activities within said Urban Renewal Area and to update the Financial Condition Report. A copy of the Fifth Amendment is available for public inspection in the office of the City Clerk.

Any person or organization desiring to be heard, for or against this proposed action, will be afforded an opportunity to be heard at said public hearing. Any person or organization desiring to submit written material regarding this proposal may direct such written material to the Office of the City Clerk, City Hall, 400 Robert D. Ray Drive, Des Moines, Iowa, prior to the start of the City Council meeting on September 28, 2015, at 4:30 p.m.

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

Published in the Des Moines Register on September 3, 2015.