



Date June 13, 2016

**RESOLUTION CLOSING HEARING AND APPROVING PETITION
TO ESTABLISH THE SW 9TH CORRIDOR
SELF-SUPPORTED MUNICIPAL IMPROVEMENT DISTRICT**

WHEREAS, on February 22, 2016, by Roll Call No. 16-0303, the City Council received a petition to establish the SW 9th Corridor Self-Supported Municipal Improvement District, and referred the Petition to the City Plan and Zoning Commission for preparation of an evaluative report for the Council on the merit and feasibility of the proposed project and improvements as required by Iowa Code Chapter 386; and,

WHEREAS, the City Plan and Zoning Commission has submitted its report and recommendation on the merit and feasibility of the proposed SW 9th Corridor Self-Supported Municipal Improvement District, and,

WHEREAS, the purpose of the proposed SW 9th Corridor Self-Supported Municipal Improvement District is to provide enhanced improvement and services within the district, all as more specifically described in the Petition to Establish the SW 9th Corridor Self-Supported Municipal Improvement District which is on file and available for public inspection in the office of the City Clerk; and,

WHEREAS, the City Plan and Zoning Commission considered the proposed project and improvements at a public hearing on April 7, 2016, and the City Council received the final report and recommendation of the Commission on April 25, 2016, by Roll Call No. 16-0671.

WHEREAS, on May 23, 2016, by Roll Call No. 16-0902, it was duly resolved by the City Council that the Petition to Establish the SW 9th Corridor Self-Supported Municipal Improvement District be set down for public hearing on June 23, 2016, at 5:00 p.m., in the Council Chambers; and,

WHEREAS, notice of said hearing was published as provided by law in the Des Moines Register on June 3, 2016, as provided by law, setting forth the time and place for hearing on said Petition; and,

WHEREAS, notice of said hearing was also given by mailing notice by certified mail on May 9, 2016, to each owner of property within the proposed district at the owner's address as shown by the records of the county auditor, all as specified in Section 386.3(4) of the Iowa Code; and,

WHEREAS, in accordance with said notices those interested in the Petition, both for and against, have been given opportunity to be heard with respect thereto and have presented their views to the City Council; NOW THEREFORE,



Date June 13, 2016

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

1. The hearing is now closed.
2. The City Council hereby makes the following findings regarding the sufficiency of the Petition to Establish the SW 9th Corridor Self-Supported Municipal Improvement District:
 - a) The Petition contains the signatures of at least 25% of all owners of property within the proposed district which together represent ownership of property with an assessed value of at least 25% of all property in the proposed district, after removal of the Excluded Properties identified below.
 - b) The Petition contains a description of the boundaries of the proposed district, and such property is wholly within the boundaries of the City of Des Moines and is zoned for commercial use.
 - c) The Petition identifies the name of the proposed district as the "SW 9th Corridor Self-Supported Municipal Improvement District".
 - d) The Petition identifies that the purpose of the District is as follows:
 - 1) To undertake the acquisition, construction, installation, operation, maintenance and repair within the public rights-of-way of SW 9th within the District of 'improvements' as defined in the Act, consisting of signage and banners; seasonal and holiday decorations; street furnishings; murals and public art; public plaza(s); and installation of trees and plant materials (collectively the "Improvements"); and,
 - 2) To undertake the administration and provision of numerous services within the District (hereinafter collectively referred to as the "Services"), all as more specifically described in the Petition.
 - e) The Petition further provides for the annual levy of a Combined Capital Improvement and Operation Tax, and allows for the annual levy of a Debt Service Tax to be used to fund the Improvements and Services within the District.
 - f) The Petition further provides that the Combined Capital Improvement and Operation Tax and the Debt Service Tax shall not exceed an aggregated amount of \$2.25 per thousand dollars of taxable value of the property within the district in any one year, in addition to all other taxes.
 - g) The Petition identifies that the Debt Service Tax and the Combined Capital Improvement and Operation Tax may be levied for an initial period of twenty (20) years, commencing with the levy of taxes for collection in the fiscal year beginning July 1, 2013, and that the City of Des Moines may renew the levy for subsequent five (5) year periods unless a petition containing the signatures of at least forty percent of all owners of property within



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the District or signatures which together represent ownership of property with an assessed value of forty percent or more of the assessed value of all property within the District, is filed with the City Clerk in opposition to the renewal at least 6 months prior to the expiration of the current period.

- 3. The City Council further finds that the installation, operation, maintenance and provision of the Improvements and Services within the District is feasible and would provide substantial benefit to the District and to all the properties therein.
4. The Legal Department is hereby authorized and directed to prepare an Ordinance establishing the SW 9th Corridor Self-Supported Municipal Improvement District as proposed in the Petition but without the Excluded Parcels identified above, for consideration by the City Council at the expiration of the thirty (30) day waiting period required by Iowa Code §386.3(6).

(Council Communication No. 16- 303)

MOVED by _____ to adopt.

FORM APPROVED:

Thomas G. Fisher Jr.
Assistant City Attorney

NOTE: Iowa Code §386.3(6) provides that the City must wait at least 30 days after this hearing before it may adopt an ordinance creating the District. Six affirmative votes will be required to adopt that ordinance. I.C. §386.3(7).

Table with 5 columns: COUNCIL ACTION, YEAS, NAYS, PASS, ABSENT. Rows include COWNIE, COLEMAN, GATTO, GRAY, HENSLEY, MOORE, WESTERGAARD, TOTAL, MOTION CARRIED, APPROVED, Mayor.

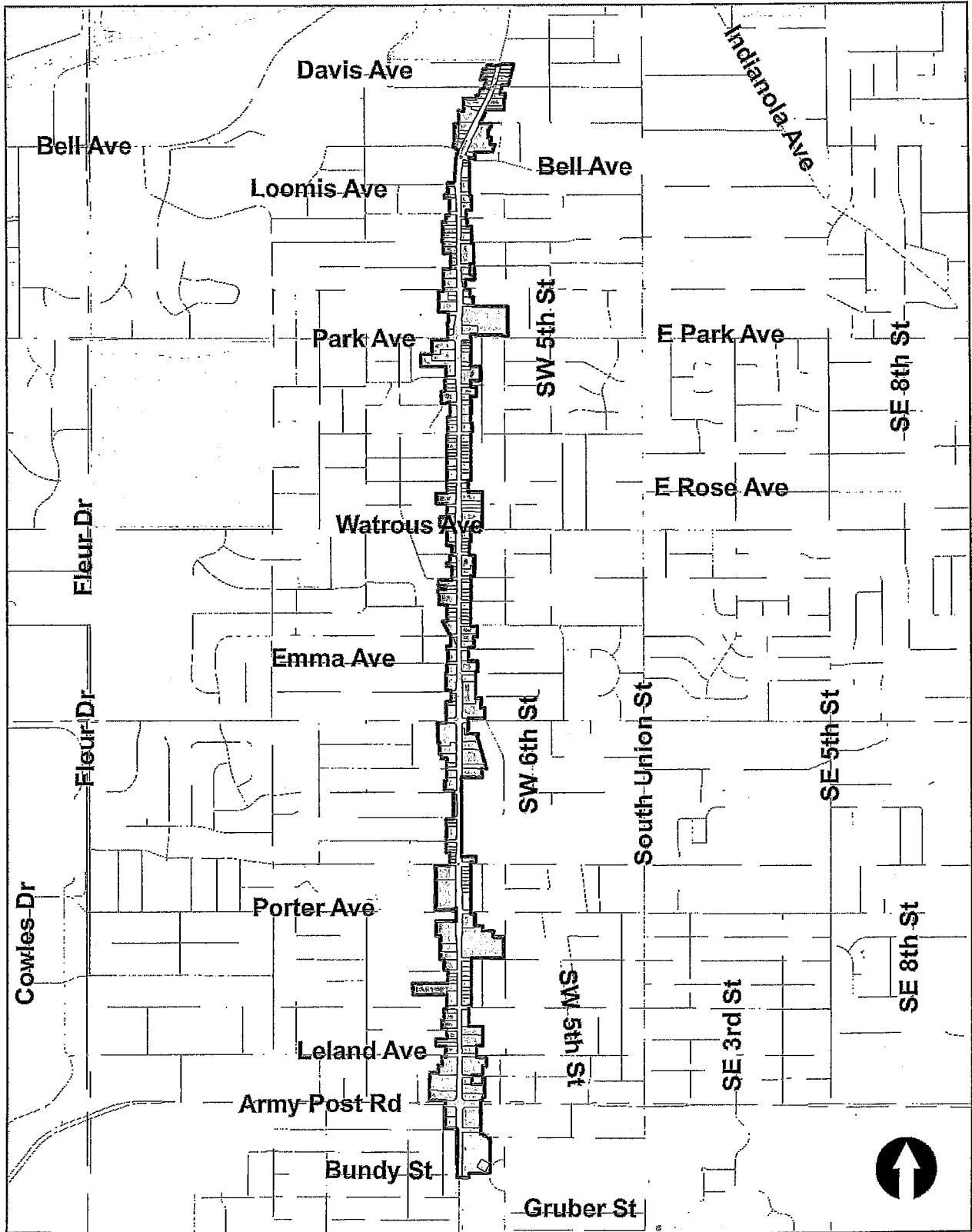
CERTIFICATE

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

Exhibit "1"
Map of the SW 9th Corridor Self-Supported Municipal Improvement District



April 18, 2016

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 April 7, 2016, the following action was taken regarding the establishment of the proposed SW 9th Corridor Self-Supported Municipal Improvement District (SSMID) for operation and maintenance of the identified SW 9th Street Corridor.

COMMISSION RECOMMENDATION:

After public hearing, the members voted 13-0 as follows:

Commission Action:	Yes	Nays	Pass	Absent
Francis Boggus	X			
Dory Briles	X			
JoAnne Corigliano	X			
David Courard-Hauri	X			
Jacqueline Easley	X			
Tim Fitzgerald	X			
Jann Freed	X			
John "Jack" Hilmes	X			
Greg Jones	X			
Sasha Kamper				X
William Page	X			
Mike Simonson	X			
CJ Stephens	X			
Greg Wattier	X			

APPROVAL of the evaluative report and establishment of the proposed SW 9th Corridor Self-Supported Municipal Improvement District (SSMID).

RECOMMENDATION TO THE P&Z COMMISSION

Staff recommends approval of the evaluative report and establishment of the proposed SW 9th Corridor Self-Supported Municipal Improvement District (SSMID).

STAFF REPORT TO THE PLANNING COMMISSION

I. GENERAL INFORMATION

Property owners adjoining Southwest 9th Street from Davis Avenue to Bundy Street have submitted a petition to the City Council seeking to establish the SW 9th Corridor Self-Supported Municipal Improvement District (SSMID). The purpose of the SSMID is to undertake the administration and provision of services within the district, including:

- Enhanced maintenance of public spaces.
- Capital, physical, and other improvements designed to enhance the appearance of the District.
- Development and management of activities in support of marketing, business retention and attraction, and property improvement.

The SSMID also allows for the acquisition, construction, installation, operation and maintenance of "improvements" within the public rights-of-way of Southwest 9th Street within the Proposed District. Improvements include improved sidewalks, curbs and cross-walks, landscaping, planters, decorative lighting, utility relocation, traffic signage, and related pedestrian improvements. The improvements may also be funded utilizing proceeds of the combined Capital Improvement and Operation Fund, City funds designated in the Capital Improvement Program of the City for such purposes, and any other available funds.

II. ADDITIONAL APPLICABLE INFORMATION

Pursuant to Section 386.3 of the Iowa Code, the Plan and Zoning Commission is to prepare an evaluative report for the City Council based on the "merit" and "feasibility" of the SSMID. The Commission is to make recommendations to the City Council with respect to establishment of the SSMID. Further, the Commission is directed to determine the validity of the petition.

Staff has prepared an evaluative report for the Commission's review and consideration (see attached).

SUMMARY OF DISCUSSION

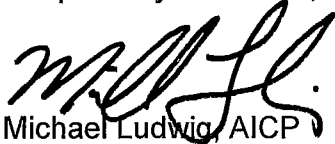
Greg Jones asked if anyone was present to speak on this item. None were present or requested to speak.

COMMISSION ACTION:

Will Page moved staff recommendation for approval of the evaluative report and establishment of the proposed SW 9th Corridor Self-Supported Municipal Improvement District (SSMID).

Motion passed 13-0.

Respectfully submitted,



Michael Ludwig, AICP
Planning Administrator

MGL:clw

Attachment

Evaluation of Petition to Establish the "SW 9th Corridor Self-Supported Municipal Improvement District" and Recommendation to City Council

Property owners adjoining Southwest 9th Street within the Proposed District have submitted a petition to the City Council to establish the SW 9th Street Self-Supported Municipal Improvement District (SSMID). The petition states that the purpose of the SSMID is:

- A) To undertake the administration and provision of the following services within the District:
 - 1) Enhanced maintenance of public spaces, including:
 - Trash and litter removal in developed public spaces;
 - Removal of illegal graffiti, signs and stickers from public spaces and improvements; and,
 - Maintenance of trees and landscape plantings.
 - 2) Capital, physical or other improvements designed to enhance the image and appearance of the District, including:
 - Signage and banners;
 - Seasonal and holiday decorations;
 - Street furnishings such as benches, litter receptacles, planters, and bus shelters;
 - Murals and public art;
 - Public plaza(s); and,
 - Installation of trees and plant materials.
 - 3) Development and management of activities in support of marketing, business retention and attraction, and property improvement including:
 - Administer a façade improvement grant program, including the provision of grants and loans for the restoration or renovation of building façades;
 - Promote redevelopment of vacant and/or blighted commercial parcels;
 - Conduct market analyses, business retention surveys and image surveys;
 - Establish databases of information relevant to marketing, business retention and attraction;
 - Space referrals and assistance;
 - Business-to-business communications programs;
 - Business marketing materials;
 - Miscellaneous business support services;
 - Marketing activities, including media and advertising campaigns and communication pieces (calendar of events, newsletters, shopping directories, maps, holiday brochures); and,
 - Establishment and promotion of special events, festivals, and holiday activities in public spaces.
 - 4) To undertake the acquisition, construction, installation, operation, maintenance and repair within the public rights-of-way of SW 9th Street within the District of 'improvements' as defined in the Act, consisting of improved sidewalks, curbs and cross-walks, landscaping, planters, decorative lighting, utility relocation, traffic signals, and related pedestrian improvements.
- B) Paying the administrative expenses for the provision of the Services and Improvements identified above, including but not limited to legal and engineering fees.

The petition states that the property owners agree to an annual Capital Improvement and Operation Tax levy upon properties within the district for an initial period of ten (10) years commencing with the levy of taxes for collection in the fiscal year beginning July 1, 2017 and possible renewal for subsequent five (5) year periods in accordance with the following schedule:

<u>Fiscal Years</u> <u>of Levy</u>	<u>Max. levy per thousand dollars</u> <u>taxable value</u>
2017/18 to 2027/28	\$ 2.25

The City anticipates that a SW 9th Corridor SSMID Board will be established to make a recommendation to the City Council regarding the annual budget and levy for the District. The SSMID Board will have members representative of the property owners and tenants in the District and the Friends of SW 9th nonprofit and will receive technical assistance from City Staff in the preparation of the recommended budget.

Plan and Zoning Commission Role

The City Council has referred the petition to the Plan and Zoning Commission in accordance with Section 386.3 of the Iowa Code. The Plan and Zoning Commission is to prepare an evaluative report for the City Council addressing the "merit" and "feasibility" of the proposed District. Further, it would be appropriate for the Commission to make a recommendation on the validity of the petition. After the Plan and Zoning Commission has evaluated the petition, the City Council will set a time and place for the public hearing at which the City Council will consider the establishment of the District. If the City Council decides that it is appropriate to establish the District, the City Council must wait another 30 days after that hearing before it may adopt an ordinance establishing the District.

Validity of the Petition

The petition submitted to the City Council and referred to the Plan and Zoning Commission has been evaluated for the following:

1. The SSMID District meets all the criteria set forth in Section 386.3(1) of the Iowa Code including:
 - a. The SSMID is comprised of contiguous property wholly within the boundaries of the City. The entire District is zoned for commercial uses.
 - b. The SSMID has been given a descriptive name: "SW 9th Corridor Self-Supported Municipal Improvement District."
 - c. The property in the District is comprised of properties adjoining the Southwest 9th Street right-of-way and the property within the District is zoned a mixture of uses: C-1, Neighborhood Retail Commercial; C-1a, Neighborhood Retail Commercial Reuse; C-2, General Retail and Highway-Oriented Commercial; and NPC, Neighborhood Pedestrian Commercial District. Single- and multi-family housing that is zoned commercial and included within the district is not subject to the SSMID tax.
 - d. The current and intended future uses of the property in the District include a variety of single and multi-family housing, retail shopping, and office uses. The forthcoming Plan DSM recommends that SW 9th Street be designated a Community Mixed Use area, that includes a mix of medium- and high-density residential with retail and service establishments designed to attract customers from a large service area encompassing multiple neighborhoods. Accordingly, the property in the District is similarly related so that the present and potential use or enjoyment of the property is benefited by the condition, performance of administration, redevelopment, revitalization and

maintenance of the District. Further, the owners of property in the District have a present and potential benefit from the condition, performance of administration, redevelopment, revitalization and maintenance of the District.

2. The intent and purposes of the SSMID are stated in the petition. The petition contains signatures from more than 25% of the owners of taxable properties within the District. As of March 18, 2016, the petition has been signed by 26.5% of the owners of taxable property in the district (49 of 185 owners). The signatures also represent ownership of property with an assessed value of more than the required 25% of the assessed value of all taxable property in the District. As of March 18, 2016, the signatures represent property ownership with an assessed value of 45.4% of the total assessed value for taxable property in the District (\$27.493M of \$60.568M).
3. The petition sufficiently describes the boundaries of the District. It includes a boundary map and legal description of all properties within the proposed District.
4. The petition states that the property owners agree to an annual Capital Improvement and Operation Tax levy upon properties within the district for an initial period of ten (10) years commencing with the levy of taxes for collection in the fiscal year beginning July 1, 2017 and possible renewal for subsequent five (5) year periods in accordance with the following schedule:

<u>Fiscal Years</u> <u>of Levy</u>	<u>Max. levy per thousand dollars</u> <u>taxable value</u>
2017/18 to 2027/28	\$ 2.25

5. The petition states that the purpose of the SSMID is undertake the administration and provision of services within the district, including: Enhanced maintenance of public spaces; Capital, physical, and other improvements designed to enhance the appearance of the District; Development and management of activities in support of marketing, business retention and attraction, and property improvement;
6. The petition also allows the SSMID to undertake the acquisition, construction, installation, operation and maintenance of "improvements" within the public rights-of-way of Southwest 9th Street within the proposed District consisting of improved sidewalks, curbs and cross-walks, landscaping, planters, decorative lighting, utility relocation, traffic signage, and related pedestrian improvements utilizing proceeds of the combined capital improvement and operation fund, City funds designated in the Capital Improvement Program of the City for such purposes, and any other available funds.
7. The petition states that proceeds of the Capital Improvement and Operation Tax may be used for the purposes of paying (or reimbursing the City with respect thereto) all or part of the costs incurred in connection with the acquisition, construction, installation, operation and maintenance of the Improvements, any administration expenses (as defined and authorized by the Act) of the proposed District, including legal and engineering fees, and any other expenses reasonably incurred in fulfilling the purposes of the proposed District, all as may be determined from time to time by the City Council.

8. The activities identified in the purposes of the SSMID further the objectives of the Des Moines 2020 Community Character Plan and proposed Plan DSM by focusing beautification efforts and encouraging redevelopment along corridors and within identified neighborhood and community nodes.

Feasibility of the Project

In fiscal years 2017/18 through 2027/28, the proposed maximum Capital Improvement and Operation Tax levy of \$2.25/\$1000 of taxable assessed value will generate revenues of approximately \$85,658.00 annually. The actual levy will be set annually by the City Council after receiving a recommendation from the SW 9th Corridor SSMID Board.

The SSMID Capital Improvement and Operation Fund will be combined with City funds designated in the Capital Improvement Program of the City for such purposes and any other available funds to pay the anticipated costs and other expenses for the SSMID activities and services in the District.

Recommendation

The petition to establish the "SW 9th Corridor Self-Supported Municipal Improvement District" meets the criteria as outlined in Chapter 386 of the Iowa Code for such districts. The petition is valid and the SW 9th Corridor SSMID has merit and is feasible. The Commission forwards this report to City Council to set the date of public hearing for establishment of the District for April 25, 2016.