



.....
Date September 12, 2016

RESOLUTION CLOSING HEARING ON THE PROPOSED FOREST AVENUE URBAN RENEWAL PLAN, RECEIVING AND FILING THE DETERMINATION OF THE DES MOINES PLAN AND ZONING COMMISSION AND ADOPTING THE URBAN RENEWAL PLAN

WHEREAS, the proposed Forest Avenue Urban Renewal Area consists of five lots on the north side of Forest Avenue between 32nd and 33rd Streets, as shown in Exhibit B, Appendix "B"; and,

WHEREAS, the City Manager has prepared an urban renewal plan for such urban renewal area which is titled Forest Avenue Urban Renewal Plan (the "Urban Renewal Plan"), which is on file and available for public inspection in the office of the City Clerk and attached as Exhibit B; and,

WHEREAS, the Urban Renewal Plan seeks to enhance private development within the proposed Forest Avenue Urban Renewal Area through provision of economic development assistance that will be provided in part with tax increment financing revenues to be generated in the urban renewal area; and,

WHEREAS, on July 25, 2016, by Roll Call No. 16-1203, the City Council resolved that a public hearing on the proposed Urban Renewal Plan be held on September 12, 2016; and,

WHEREAS, the Urban Design Review Board reviewed the proposed Urban Renewal Plan at its meeting on August 2, 2016 and the consensus of the Board is to approve the Plan; 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 PlanDSM: Creating Our Tomorrow Plan, at its meeting on September 1, 2016, and found the proposed Plan in conformity with the comprehensive plan; and,

WHEREAS, notice of this public hearing in the form attached hereto as Exhibit "A" was published in the Des Moines Register on August 25, 2016, which notice sets forth the information required by Section 403.5(3) of the Iowa Code; and,

WHEREAS, notice was given by ordinary mail to the Des Moines Independent Community School District, Southeast Polk Community School District, Des Moines Area Community College, and Polk County of a consultation meeting in the OED Conference Room, at the City Administrative Building, at 2:00 p.m. on August 10, 2016; and,



Date September 12, 2016

WHEREAS, the City has received no requests from the Des Moines Independent Community School District, Southeast Polk Community School District, Des Moines Area Community College, or Polk County for any modification to the division of revenue from the tax increment proposed by the Urban Renewal Plan; and,

WHEREAS, the Forest Avenue Urban Renewal Area does not contain any property assessed as agricultural property; and,

WHEREAS, the public hearing has now been opened and all persons and organizations desiring to be heard regarding the Urban Renewal 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 Forest Avenue Urban Renewal Plan is hereby closed.
2. The Plan and Zoning Commission determination that the Forest Avenue Urban Renewal Plan is in conformance with the PlanDSM: Creating our Tomorrow Plan on September 1, 2016, which passed by a vote of 8-0, is hereby received and filed.
3. 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 Urban Renewal Plan conforms to Plan DSM: Creating Our Tomorrow Plan, for the development of the City as a whole.
 - b) The Urban Renewal Plan does not provide for the involuntary acquisition of any land by the City, and does not identify any land planned for acquisition.
4. The Urban Renewal Plan for the Forest Avenue Urban Renewal Area is hereby approved and adopted, and shall hereafter be in full force and effect.
5. The City Clerk is hereby authorized and directed to file a certified copy of the Urban Renewal Plan and of this Resolution in the office of the Polk County Recorder.



Roll Call Number

Agenda Item Number

83

Date September 12, 2016

(Council Communication No. 16- 518)

MOVED by _____ to adopt.

FORM APPROVED:

Thomas G. Fisher Jr.

Thomas G. Fisher Jr.
Assistant City Attorney

Attachments:

- Exhibit A - Notice of Hearing
- Exhibit B - Urban Renewal Plan

COUNCIL ACTION	YEAS	NAYS	PASS	ABSENT
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.

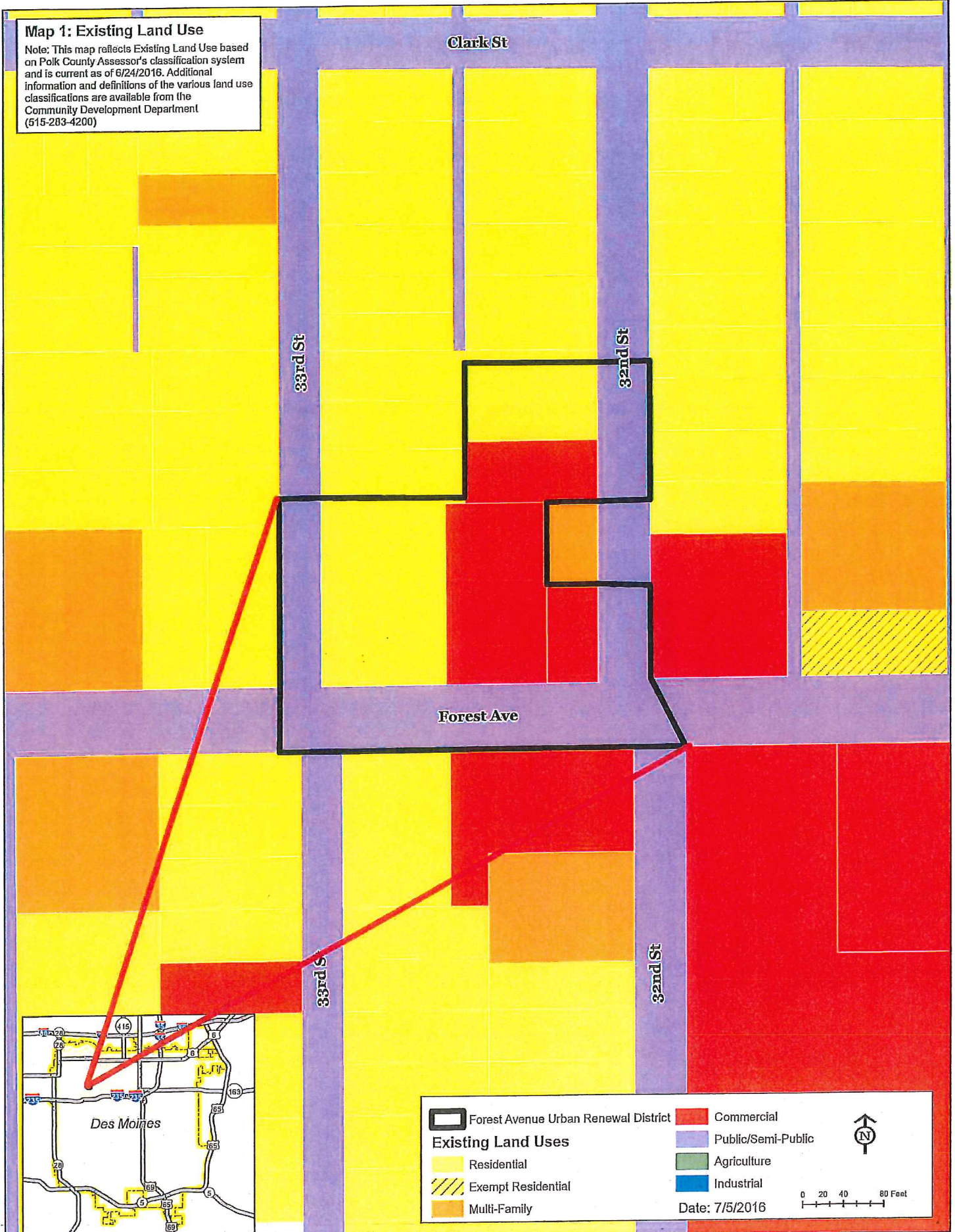
IN WITNESS WHEREOF, I have hereunto set my hand and affixed my seal the day and year first above written.

_____ City Clerk

Forest Avenue Urban Renewal Area

Map 1: Existing Land Use

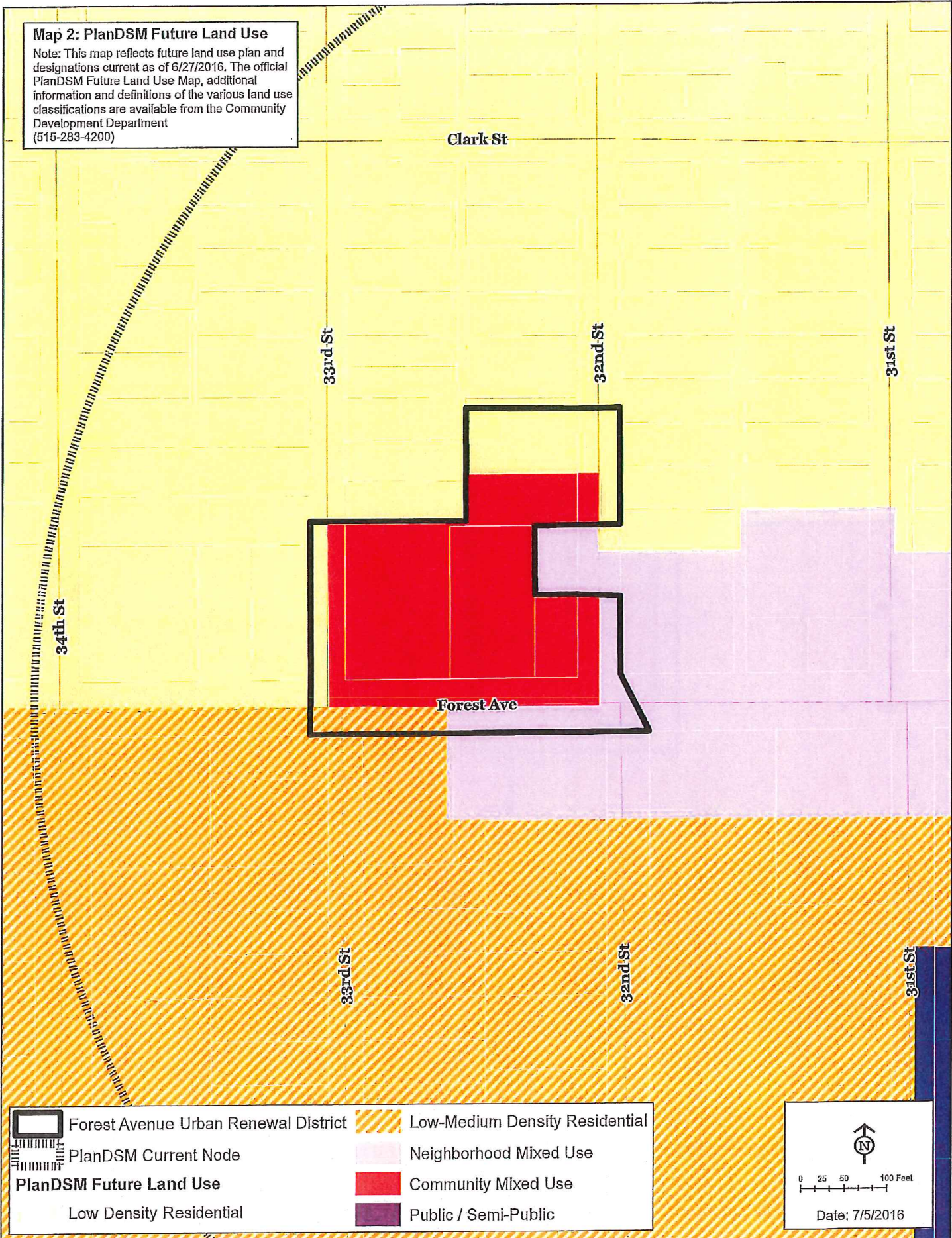
Note: This map reflects Existing Land Use based on Polk County Assessor's classification system and is current as of 6/24/2016. Additional information and definitions of the various land use classifications are available from the Community Development Department (515-283-4200)



Forest Avenue Urban Renewal District	Commercial	
Existing Land Uses	Public/Semi-Public	
Residential	Agriculture	 Date: 7/5/2016
Exempt Residential	Industrial	
Multi-Family		

Forest Avenue Urban Renewal Area

Map 2: PlanDSM Future Land Use
 Note: This map reflects future land use plan and designations current as of 6/27/2016. The official PlanDSM Future Land Use Map, additional information and definitions of the various land use classifications are available from the Community Development Department (515-283-4200)



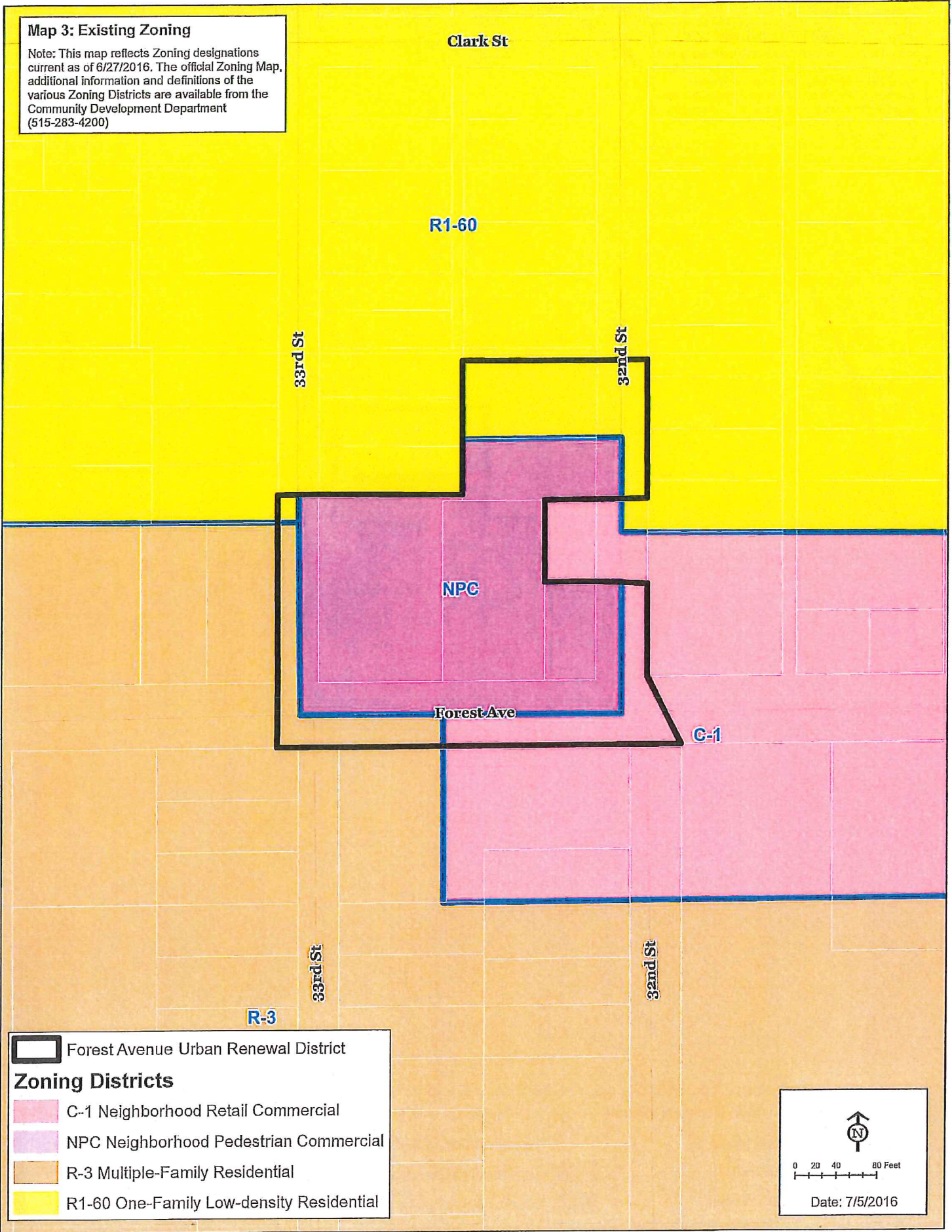
	Forest Avenue Urban Renewal District		Low-Medium Density Residential
	PlanDSM Current Node		Neighborhood Mixed Use
	PlanDSM Future Land Use		Community Mixed Use
	Low Density Residential		Public / Semi-Public


0 25 50 100 Feet
 Date: 7/5/2016

Forest Avenue Urban Renewal Area



Map 3: Existing Zoning


Note: This map reflects Zoning designations current as of 6/27/2016. The official Zoning Map, additional information and definitions of the various Zoning Districts are available from the Community Development Department (515-283-4200)



 Forest Avenue Urban Renewal District

Zoning Districts

-  C-1 Neighborhood Retail Commercial
-  NPC Neighborhood Pedestrian Commercial
-  R-3 Multiple-Family Residential
-  R1-60 One-Family Low-density Residential



0 20 40 80 Feet

Date: 7/5/2016



September 8, 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 September 1, 2016, the following action was taken regarding a determination as to whether the Forest Avenue Urban Renewal Plan is in conformance with the PlanDSM: Creating Our Tomorrow Plan.

COMMISSION RECOMMENDATION:

After public hearing, the members voted 8-0 as follows:

Commission Action:	Yes	Nays	Pass	Absent
Francis Boggus				X
Dory Briles				X
JoAnne Corigliano				X
David Courard-Hauri	X			
Jacqueline Easley	X			
Jann Freed	X			
John "Jack" Hilmes				X
Carolyn Jenison	X			
Greg Jones	X			
William Page	X			
Mike Simonson				X
Rocky Sposato	X			
CJ Stephens				X
Steve Wallace	X			
Greg Wattier				X

APPROVAL of the staff recommendation that the proposed Forest Avenue Urban Renewal Plan be found in conformance with the PlanDSM Creating Our Tomorrow Plan.

STAFF RECOMMENDATION TO THE P&Z COMMISSION

Staff recommends that the proposed Forest Avenue Urban Renewal Plan be found in conformance with the PlanDSM: Creating Our Tomorrow Plan.

STAFF REPORT TO THE PLANNING COMMISSION

The Forest Avenue Urban Renewal Plan is attached. The proposed Urban Renewal Area consists of five lots containing approximately 2.3 acres and is generally located on the north side of Forest Avenue between 32nd and 33rd Streets. The purpose of the Forest Avenue Urban Renewal Plan is to encourage the removal and redevelopment of the blighted, obsolete, and underutilized property within the urban renewal area for medium-density and/or high density housing.

Appendix B of the Plan is the Planning Director Report that was prepared and signed on July 26, 2016. The report notes that "PlanDSM will need to be amended to change the designation of all land within the Urban Renewal Boundary (exclusive of the street rights-of-way) to Community Mixed Use." On July 7, 2016, the Plan and Zoning Commission voted 9-0-1 to recommend approval of that future land use map amendment and to zone the applicable property as a Limited NPC district. On August 8, 2016 the City Council approved the future land use map amendment and zoning by a 7-0 vote pursuant to roll call 16-1352.

On September 1, 2016 the Plan and Zoning Commission will consider the site plan for development of the subject property (see Agenda Item #7).

SUMMARY OF DISCUSSION

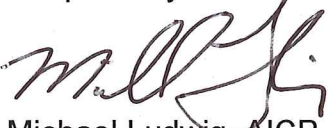
Greg Jones asked if anyone was present to speak on this item. None were present or requested to speak.

COMMISSION ACTION:

David Courad-Hauri moved approval of the staff recommendation that the proposed Forest Avenue Urban Renewal Plan be found in conformance with the PlanDSM Creating Our Tomorrow Plan.

Motion carried 8-0.

Respectfully submitted,



Michael Ludwig, AICP
Planning Administrator

MGL:clw
Attachment

Prepared by: Naomi Hamlett, 400 Robert D. Ray Drive, Des Moines, IA 50309 Phone:
515-283-4004
Return Address: City Clerk – City Hall, 400 Robert D. Ray Drive, Des Moines, IA 50309
Taxpayer: No change
Title of Document: Forest Avenue Urban Renewal Plan
Grantor/Grantee: City of Des Moines, Iowa
Legal Description: See Exhibit "A" at page 8, below

FOREST AVENUE URBAN RENEWAL PLAN

City of Des Moines, Iowa

Urban Design Review Board Action:	_____
Taxing Entities Consultation:	_____
Plan and Zoning Commission Action:	_____
City Council Approval:	_____

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I. INTRODUCTION

A. General Description of the Forest Avenue Urban Renewal Area

The general location and boundary of the Forest Avenue Urban Renewal Area is shown on *Map 1 – Existing Land Use*.

This Urban Renewal Area consists of 5 lots containing approximately 2.3 acres and is generally located on the north side of Forest Avenue between 32nd and 33rd Streets.

The Urban Renewal Area is more specifically described in the accompanying *Appendix A - Legal Description*.

B. Purpose of the Urban Renewal Plan

The purpose of the Forest Avenue Urban Renewal Plan is to encourage the removal and redevelopment of the blighted, obsolete, and underutilized property within the urban renewal area for medium-density and/or high-density housing.

C. Authority to Adopt and Implement an 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 three, 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.

A municipality may make a determination that a proposed urban renewal area is a blighted area if the area contains a substantial number of slum, deteriorated, or deteriorating structures; defective or inadequate street layout; faulty lot layout in relation to size, adequacy, accessibility or usefulness; insanitary or unsafe conditions; deterioration of site or other improvements; diversity of ownership, tax or special assessment delinquency exceeding the fair value of the land; defective or unusual conditions of title; or the existence of conditions which endanger life or property by fire and other causes; or any combination of these factors, substantially impairs or arrests the sound growth of the municipality, retards the provision of housing accommodations, or constitutes an economic or social liability and is a menace to the public health, safety, or welfare in its present condition and use.

For the reasons set forth below the proposed Forest Avenue Urban Renewal Area qualifies for designation as an urban renewal area on the basis that the Area is a blighted area.

II. BACKGROUND INFORMATION

A. General Information

The area within and around the Forest Avenue Urban Renewal Area was platted and developed between 1900 to 1920 with the small lot frontage and small lot area common to that time period. The area, which is within the Drake Neighborhood, was developed with residential uses in close proximity to commercial uses, such as retail, restaurant, gas stations, and service oriented uses. By mid-century the housing and commercial buildings had begun to deteriorate and the neighborhood began to lose population.

Over the past twenty years, the neighborhood organizations, City of Des Moines and Polk County have taken steps toward improving the physical and social conditions in and around the Forest Avenue Urban Renewal Area. There have been two previous urban renewal plans within this general area with similar names. The "Forest Avenue/M. L. King Parkway Urban Renewal Project Plan" was adopted by City Council on April 28, 1997 by Roll Call No. 97-1536. That first plan included the commercially zoned area along MLK Jr. Parkway and 19th Street near Forest Avenue and a portion of the adjoining residential area necessary to provide developable parcels. That first plan was terminated concurrently with the designation of the "Forest Avenue Urban Renewal Plan", which was adopted by City Council on October 24, 2005 by Roll Call No. 05-2584. That second Plan included property along Forest Avenue from Carpenter to Jefferson Avenue from 10th Street to 22nd Street. That second Plan expired on January 1, 2016.

B. Existing Land Use

The Forest Avenue Urban Renewal Area includes two-family residential and commercial uses. These uses are shown in *Map 1 – Existing Land Use*

C. Conformance with the City’s Comprehensive Land Use Plan

A prerequisite for an urban renewal plan is a comprehensive land use plan for the municipality. After the municipality has adopted such a plan, the municipality may prepare, adopt, and implement an urban renewal plan for the purpose of rehabilitation, conservation, redevelopment, development, or a combination thereof, of a designated urban renewal area to promote the public health, safety, or welfare of the residents of the municipality.

All goals and objectives of the Forest Avenue Urban Renewal Plan are in conformance with the City’s Comprehensive Plan, *Plan DSM*, which was adopted by the City Council on April 25, 2016, by Roll Call No. 16-0717.

Plan DSM shows the land outside the street rights-of-way as Community Mixed Use and Low Density Residential. The area is designated as a neighborhood node, which supports the proposed density. *Map 2-Plan DSM Land Use Map* further details the proposed land uses for this general area.

In order for the goals and objectives of this Plan to be accomplished, Plan DSM will need to be amended to change the designation of all land within the urban renewal area (exclusive of the street rights-of-way) to Community Mixed Use. Possible additional amendments to *Plan DSM* may be identified through the ongoing planning process for the implementation of this Plan.

D. Conformance with the City’s Zoning Requirements

Existing zoning in the urban renewal area (exclusive of the street rights-of-way) is "NPC" Neighborhood Pedestrian Commercial and "R1-60" One-Family Low-Density Residential as shown on *Map 3 - Existing Zoning*.

In order to implement the redevelopment proposed by this Plan, the one parcel within the Urban Renewal Area currently zoned "R1-60" One-Family Low-Density Residential will need to be rezoned to the "NPC" Neighborhood Pedestrian Commercial" District classification with appropriate conditions. In addition, the remaining parcels, though

currently zoned “NPC” may also need to be rezoned due to the special zoning conditions previously imposed on the parcels.

Possible additional amendments to the Zoning Ordinance may be identified through the ongoing planning process for the implementation of this Plan.

E. Recognized Neighborhood Organizations

The Forest Avenue Urban Renewal Area is part of the Drake Neighborhood, which is represented by the Drake Neighborhood Association, Inc. It is designated as a “Recognized Neighborhood” by the City Council as having met the specified minimum standards of a neighborhood organization and communicates regularly with the City of Des Moines.

F. Recognition of Blight Conditions

The area qualifies for designation as an urban renewal area on the basis of blight due to existing conditions. As of the adoption of this Plan, 4 of the 5 parcels are classified as below normal condition. One of the parcels is vacant, a second has a vacant commercial building and a third has a vacant residential building. Three of the four buildings are over 50 years old. Generally the urban renewal area is characterized by underutilized parcels, parcels that are not adequately sized for redevelopment without assemblage with other land, and dilapidated buildings. All of these conditions have the impact of pulling down the economic viability of the Area, and create a need for revitalization.

III. URBAN RENEWAL PLAN ELEMENTS

A. Plan Goals and Objectives

The Forest Avenue Urban Renewal Area has goals and objectives that are intended to remedy the blighted conditions existing in the Area and to develop quality market-rate multi-family housing that enhances the neighborhood.

The goals and objectives of the Forest Avenue Urban Renewal Area are as follows:

- Provide an attractive and appealing physical environment for residents to improve the livability of the Urban Renewal Area.
- Improve the existing housing stock by removing blighted properties and redeveloping them into multi-family dwellings
- Support the construction of quality residential infill projects on cleared or vacant parcels.
- Expand housing opportunities for residents.
- Remove blighting physical conditions that cause or contribute to a shortage of decent, safe and sanitary housing and constitute a menace to the public health, safety, morals, and welfare.

- Ensure new development is of high quality, sustainable and provides adequate parking and pedestrian connections and access.

This Urban Renewal Plan is also specifically intended to support implementation of the Drake Neighborhood Plan, which was City Council initiated, and adopted on February 11, 2011 by Roll Call 11-0317. Each neighborhood plan includes goals and objectives identified through a planning process involving neighborhood residents, stakeholders, and public officials. While this Urban Renewal Plan upholds the spirit of the Neighborhood Plan in general, the following goals and strategies from the Drake Neighborhood Plan, are specifically addressed by the Urban Renewal Plan:

- Goal 1.4 - Provide a range of quality housing opportunities in the Drake neighborhood
- Strategy 1.4.1 - Encourage for-profit developers and not-for-profit housing providers to build quality housing units consistent with the existing neighborhood character.
- Goal 1.7 - Promote sustainability in the Drake neighborhood.
- Goal 1.9 - Improve property conditions and overall appearance in a manner that is in keeping with the architectural integrity of the neighborhood.
- Strategy 1.9.1 - Identify problem properties or block areas in need of clean up or repair.
- Goal 6.1 - Promote quality, multi-family residential or mixed-use development along major corridors in the Drake neighborhood.
- Strategy 6.1.2 - Encourage redevelopment along major corridors experiencing blighted conditions.

B. Public Purpose Activities to be Undertaken

To meet the objectives of this Plan, the City of Des Moines will support development and redevelopment of the Forest Avenue Urban Renewal Area through, among other things, the following public purpose activities:

1. Provision of technical support in furtherance of this 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. Improvement, installation, construction and reconstruction of streets, utilities, and other public improvements and rights-of-way;
4. Enforcement of applicable local, state and federal laws, codes and regulations; and

5. 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 Area by this Plan.

C. Land and Development Requirements

The physical development of the Area will be regulated through the standards and guidelines contained within the City of Des Moines' Zoning Ordinance, the Des Moines Site Plan Regulations, and other applicable local, state and federal codes and ordinances. In addition, all projects requesting financial assistance through tax increment financing must conform to Plan DSM, and undergo review by the Urban Design Review Board.

The criteria to be used by the Board for making recommendations on design shall include but are not limited to:

- Scale, proportion, color, articulation, massing, patterning, setbacks and exterior materials. Permanence and quality of materials and site design, as well as details that add character and define depth are desired.
- How the project promotes an attractive and appealing physical environment.
- Encourage the incorporation of long term sustainability into site development and building construction, particularly the efficient use of materials and energy in heating, ventilation and cooling system design.
- Encourage the use of low impact development and on-site stormwater management best practices in the Area, and coordinate the evaluation and assessment of natural resources proactively.

D. Financial Condition Report

The urban renewal area will be concurrently designated as a tax increment district. A financial condition report is included as *Attachment B-Financial Condition Report*. Property tax revenues anticipated to result from creation of the district would be available to service any indebtedness incurred in financing actions pursuant to this Plan

IV. URBAN RENEWAL PLAN IMPLEMENTATION

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

A. 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, businesses and development interests.

B. Technical Assistance

The City may provide technical 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 this Plan.

C. Funding and Financing: Economic Development Assistance

The City will pursue funding sources required to meet the objectives of this Plan. Sources may include, but are not limited to, loans, grants, general fund expenditures, 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 proposed economic development assistance are specified as follows:

1. Tax Increment Financing. The City believes that the use of tax increment revenues to assist in the financing of new development or redevelopment in the Forest Avenue Urban Renewal Area 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 other jurisdictions. The use of tax increment financing to spur the development of the Area pursuant to this Plan is expected to provide greater future property tax revenues for the City, Polk County and Des Moines Independent School District, that would otherwise be available if this Plan were not implemented.
2. Tax increment financing will be used where it is anticipated to 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 is anticipated to ultimately increase the taxable value of the Area 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 this Plan;
- b. Construction of public infrastructure improvements and facilities within the Area;
- c. Acquisition, installation, maintenance and replacement of public investments throughout the Area;
- d. Loans or grants to qualified businesses for redevelopment of property within the Forest Avenue Urban Renewal Area in conformance with this Plan.

D. Responsibility of Developer

The private property within the Forest Avenue Urban Renewal Area is all owned by Neighborhood Development Corporation ("NDC"). NDC intends to remove the existing buildings and construct a multi-family project on that property. The City will work with NDC and its designee to implement this Plan. City expects to provide financial incentives for the project consisting of an economic development grant payable in installments equal to a percentage of the incremental tax revenues generated by the project, as more specifically shown in the Financial Conditions report. The City reserves the ability to negotiate what will be in the best interest of the community and in furtherance of this Plan, while working with NDC or its designee to facilitate the project.

V. DURATION OF URBAN RENEWAL PLAN

The Plan for the Forest Avenue Urban Renewal Area shall expire on January 1, 2037.

VI. SEVERABILITY

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

VII. AMENDMENT OF URBAN RENEWAL PLAN

The City of Des Moines may amend this Plan from time to time in accordance with applicable state and local law. The amendments may include additional objectives, revised land use regulations, revised boundaries, and/or property to be acquired and disposed of for redevelopment.

The City Council shall request public input from, but not limited to designated neighborhood group(s) and City appointed committees as appropriate upon any proposed amendment to this Plan.

Appendix "A"
Legal Description - Forest Avenue Urban Renewal Area

Beginning at the intersection of the South Right of Way of Forest Avenue and the Southerly extension of the East Line of Lot 5 in Rutledge Place, an Official Plat, said East Line also being the West Right of Way Line of 33rd Street; Thence North along said Southerly extension and continuing along said West Right of Way Line of 33rd Street to Westerly extension of the South Line of the North 142 feet of Lot 4 in said Rutledge Place; Thence East along said Westerly extension and continuing along said South Line of the North 142 feet of Lot 4 to the West Line of Lot 1 in said Rutledge Place; Thence North along said West Line to the South Line of the North 12 feet of said Lot 1; Thence East along said South Line and continuing along the Easterly extension of said South Line of the North 12 feet of said Lot 1 to the East Right of Way Line of 32nd Street; Thence South along said East Right of Way Line to the Easterly extension of the North Line of Lot 2 of said Rutledge Place; Thence West along said Easterly extension and continuing along said North Line of said Lot 2 to the West Line of said Lot 2; Thence South along said West Line to South Line of the North 80 feet of said Lot 2; Thence East along said South Line of the North 80 feet of said Lot 2 and continuing along the Easterly extension of said South Line to said East Right of Way Line of 32nd Street; Thence South along said East Right of Way Line to a point on the North Right of Way Line of Forest Avenue, said point also being the Southwest Corner of Lot 13 in Block 7 of Merritt and Fischer's Park, an Official Plat; Thence Southeast along a straight line to the Northwest Corner of Lot 48 of Ridgewood, an Official Plat, said corner also being a point on the South Right of Way Line of Forest Avenue; Thence West along said South Right of Way Line of Forest Avenue to the Southerly extension of the West Line of said Lot 5 in Rutledge and the Point of Beginning.

Appendix "B"
**Planning Directors Report - Forest Avenue
Urban Renewal Area**

July 25, 2016

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

RE: PLANNING ADMINISTRATOR'S REPORT ON DESIGNATION OF PROPOSED
FOREST AVENUE URBAN RENEWAL PLAN AREA

The City of Des Moines is proposing to designate an urban renewal area with a tax increment finance district component, the Forest Avenue Urban Renewal Area, which will consist generally of a 5-parcel area along Forest Avenue, between 32nd and 33rd Streets.

The purpose of this urban renewal plan is to encourage the removal and redevelopment of the blighted, obsolete, and underutilized property within the urban renewal area for medium-density and/or high-density housing.

BOUNDARY DESCRIPTION

The 2.3 acre area is generally bounded by Forest Avenue on the south, 32nd Street on the east, 33rd Street on the west and parcel lines to the north, with adjacent rights-of-way included. A map is shown below. The legal description for the urban renewal area can be found as attachment "A" of the urban renewal plan. The boundary for this area presently includes existing commercial and residential uses. Proposed use is for medium-density and/or high-density residential.



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 Forest Avenue Urban Renewal Area qualifies as an area with blighted conditions due to the general area being characterized by underutilized parcels, parcels that are not adequately sized for redevelopment without assemblage with other land, and dilapidated buildings. Four of the five parcels are classified as below normal condition. One of the parcels is vacant, a second has a vacant commercial building and a third has a vacant residential building. Three of the four buildings are over 50 years old. All of these conditions have the impact of pulling down the economic viability of the Area, and create a need for revitalization.

CONFORMANCE WITH COMPREHENSIVE PLAN

Plan DSM shows the land outside the street rights-of-way as Community Mixed Use and Low Density Residential. In order for the goals and objectives of this Plan to be accomplished, Plan DSM will need to be amended to change the designation of all land within the urban renewal area (exclusive of the street rights-of-way) to Community Mixed Use. The area is designated as a neighborhood node, which supports the proposed density. Possible additional amendments to *Plan DSM* may be identified through the ongoing planning process for the implementation of this Plan.

All goals and objectives of the Forest Avenue Urban Renewal Plan are in conformance with the City's Comprehensive Plan, *Plan DSM*, which was adopted by the City Council on April 25, 2016, by Roll Call No. 16-0717.

PLANNING RATIONALE

The proposed Forest Avenue Urban Renewal Area is approximately 2.3 acres in size. At the time of adoption, the area consists of commercial and medium density residential uses. Vacant and deteriorated commercial and residential buildings are located within the proposed Urban Renewal Plan boundary, as well as properties that are assessed in poor or below normal condition.

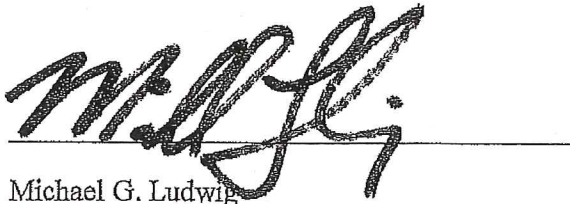
There is a need to respond to these factors and conditions with targeted planning efforts and the strategic use of economic development tools, to maximize the area's ability to continue to be regionally competitive and create growth in valuation for the City of Des Moines. The current conditions and potential opportunities for new investment provide substantial basis for developing an urban renewal plan for this area.

conditions and potential opportunities for new investment provide substantial basis for developing an urban renewal plan for this area.

It is appropriate to designate the Forest Avenue Area as an Urban Renewal Area based on its existing blight conditions, and the need to facilitate and guide new investment and revitalization. The creation of this Urban Renewal Area will allow for the use of tax increment financing to assist with economic development financial assistance as needed. This will benefit the area by redeveloping blighted commercial and residential buildings, redeveloping asbestos-laden buildings, providing housing opportunities, and creating increased tax base for the City of Des Moines.

SUMMARY

The proposed Forest Avenue Urban Renewal Area has significant existing challenges, including vacant commercial and residential buildings, buildings with asbestos, underutilized parcels, and low building valuations. The adoption of this plan and the implementation of its goals and objectives will begin to provide the framework, guidelines and incentives needed for blight remedy to occur.

A handwritten signature in black ink, appearing to read 'M. G. Ludwig', is written over a horizontal line.

Michael G. Ludwig

Planning Administrator

Appendix "C"

Financial Condition Report – Forest Avenue Urban Renewal Area

The City has, by Ordinance No. [REDACTED] passed Month, DD, YYYY, designated the Forest Avenue Urban Renewal Area as an urban renewal area in which "Tax Increment Financing," as defined in Chapter 403, Code of Iowa, may be utilized. The expected financial undertakings and tax increment revenue with regard to this urban renewal area are discussed in this Financial Condition Report.

Introduction

Urban renewal is one of the few ways an Iowa municipality can undertake and financially assist community revitalization and economic development. In Des Moines, especially in the older areas with limited redevelopment opportunities, urban renewal is an important way cities can assist the private sector in the creation and retention of jobs and in the development and redevelopment of blighted, vacant and underutilized parcels that would not occur without the City's assistance.

Urban renewal can provide flexibility in phasing development over a long-term period. In Iowa, a city may designate an "urban renewal area" by following the requirements specified in Chapter 403, Code of Iowa, upon finding that the area qualifies for designation as a slum area, a blighted area or an economic development area as those terms are defined in Iowa Code §403.17. The Forest Avenue Urban Renewal Plan Area was designated by the City as an urban renewal area upon a finding by the City Council that the area qualified as a slum and blighted area.

As part of the designation of an urban renewal area, the city council must adopt an urban renewal plan. The plan text includes a legal description and map of the area; a description of existing land uses and conditions; the actions the city proposes to undertake in the area such as public improvements, public services, the sale or purchase of property; and any conditions the city may want to impose on the development projects. The Des Moines City Council adopted the original Urban Renewal Plan for the Forest Avenue Urban Renewal Area on MONTH DD, YYYY, by Roll Call No. XX-XXXX. If the city wants to undertake an action not specified in the urban renewal plan, it must adopt the proposed change by an amendment. Before the urban renewal plan or any amendment can be adopted by the city council, notice of a public hearing on the plan or amendment must be published in the newspaper.

In addition, if the urban renewal area uses tax increment financing, a consultation and comment period with other taxing entities is offered prior to the public hearing. This document has been prepared in response to this consultation requirement.

Tax Increment Financing

Tax increment financing ("TIF") is a financing tool that is only available in designated urban renewal areas. It allows the use of a portion of the future property tax revenues of all taxing jurisdictions (the "Tax Increment Revenue") created by an increase in the total assessed value of

all the taxable property within the urban renewal area, to be used to fund obligations incurred by the city in implementing the urban renewal plan.

The Tax Increment Revenue can only be used for the activities or items authorized in the urban renewal plan. If the Tax Increment Revenue is not used to pay eligible expenses incurred in the implementation of the urban renewal plan, the revenue is released back to general revenues of the local taxing jurisdictions. On March 24, 1997, the Des Moines City Council adopted a policy that commencing in FY1997/98, the City will use, and has used, no more than 75% of the total annual Tax Increment Revenues generated by all urban renewal areas. This assures that the local taxing entities receive the benefit of at least 25% any future growth in the valuation of taxable properties in the urban renewal areas utilizing tax increment financing.

Current TIF Bonding and Outstanding Indebtedness

Overall, as of July 1, 2016, the City of Des Moines has approximately \$389 million in general obligation debt. Of this debt, approximately \$82 million is being serviced with Tax Increment Revenues from various urban renewal areas. The State of Iowa Constitutional debt-limit for general debt obligations by the City of Des Moines is approximately \$570 million. The Forest Avenue Urban Renewal Area does not have any outstanding debt arising from the issuance of tax increment notes or bonds.

Property Tax Assessments and Revenues

The base assessed value used to calculate the Tax Increment Revenue for the Forest Avenue Urban Renewal Area is approximately \$624,000. The total taxable value of all property within the Urban Renewal area as of January 1, 2018, is estimated at approximately \$5.2 million, resulting in a new increment valuation of approximately \$4.6 million, which will generate approximately \$183,000 of Tax Increment Revenue in FY2019/20.

At the time of designation as a tax increment financing district, the property tax assessments will be "frozen". Any additional increase in the property tax assessment may be "captured" for use in the TIF district by the City. The total "frozen" property tax assessment base is estimated at \$624,000 for the urban renewal area.

Future Financial Condition

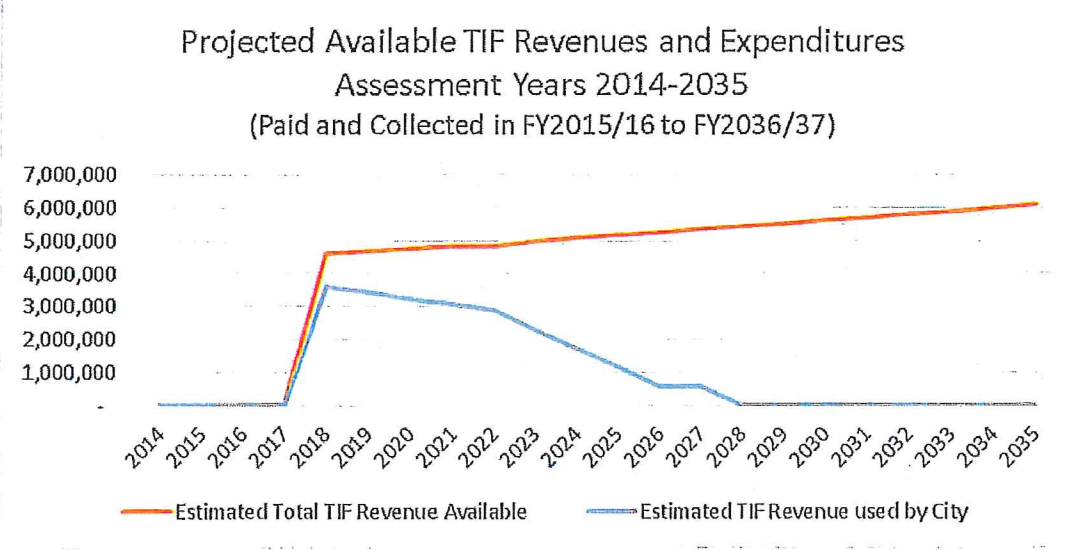
Shown below is a table that projects estimated property tax revenues and expenditures from the Forest Avenue Urban Renewal Area. In this Financial Condition Report, the estimated property tax revenues are based on a property tax levy rate of \$40 / \$1,000. This levy rate reflects the tax levy rate after subtracting payment of the 'protected debt levy' (various mandated debt expenses collected as part of the property tax levy.)

The revenue projections shown are based on increases in property tax revenues conservatively estimated with an annual growth rate of 1.5%. The Tax Increment Revenue generated by the assessed value existing on any January 1st is paid and collected in the fiscal year commencing 18 month later.

The following table and graphic represent new and updated information formulated for this amendment.

Assessment Year January 1 st of	Base Valuation	Total Assessed Valuation	New Increment Valuation	TIF Valuation Used	% Valuation Used
2014	566,400	566,400	0	0	0%
2015	623,800	623,800	0	0	0%
2016	623,800	633,157	9,357	0	0%
2017	623,800	642,654	18,854	0	0%
2018	623,800	5,200,000	4,576,200	3,591,525	78%
2019	623,800	5,278,000	4,654,200	3,435,892	74%
2020	623,800	5,357,170	4,733,370	3,232,373	68%
2021	623,800	5,437,528	4,813,728	3,052,796	63%
2022	623,800	5,519,090	4,895,290	2,873,220	59%
2023	623,800	5,601,877	4,978,077	2,298,576	46%
2024	623,800	5,685,905	5,062,105	1,723,932	34%
2025	623,800	5,771,194	5,147,394	1,149,288	22%
2026	623,800	5,857,761	5,233,961	574,644	11%
2027	623,800	5,945,628	5,321,828	574,644	11%
2028	623,800	6,034,812	5,411,012	0	0%
2029	623,800	6,125,334	5,501,534	0	0%
2030	623,800	6,217,214	5,593,414	0	0%
2031	623,800	6,310,473	5,686,673	0	0%
2032	623,800	6,405,130	5,781,330	0	0%
2033	623,800	6,501,207	5,877,407	0	0%
2034	623,800	6,598,725	5,974,925	0	0%
2035	623,800	6,697,706	6,073,906	0	0%

The graphic below shows the projected property tax revenues and expenditure estimates detailed in the table above. Note: The Tax Increment Revenue generated by the assessed value existing on any January 1st is paid and collected in the fiscal year commencing 18 months later.



This information will change as future projects, subject to the urban renewal amendment process with the individual review of each amendment and projects by the City Council and other authorities as directed by the Code of Iowa, are approved.