



Date July 10, 2017

RESOLUTION CONTINUING DATE OF PUBLIC HEARING ON PETITION TO ESTABLISH THE SHERMAN HILL SELF-SUPPORTED MUNICIPAL IMPROVEMENT DISTRICT AND SETTING NEW HEARING DATE.

WHEREAS, on May 8, 2017, by Roll Call No. 17-0784, the City Council received a petition to establish the Sherman Hill 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 Sherman Hill Self-Supported Municipal Improvement District, and,

WHEREAS, the purpose of the proposed Sherman Hill 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 Sherman Hill Self-Supported Municipal Improvement District which is on file and available for public inspection in the office of the City Clerk; and,

WHEREAS, Iowa Code Chapter 386 provides that upon receipt of the final report of the Plan and Zoning Commission the Council shall set a time and place for a hearing upon the Petition and shall cause proper notice to be given; and,

WHEREAS, on June 12, 2017, by Roll Call No. 17-0971, it was duly resolved by the City Council that the Petition to Establish the Sherman Hill Self-Supported Municipal Improvement District be set down for public hearing on July 10, 2017, at 5:00 p.m., in the Council Chambers; and,

WHEREAS, a hearing date was previously set for July 10, 2017, however, some affected property owners did not receive notice.

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

1. That the hearing previously set for July 10, 2017 is continued until August 14, 2017.
2. That the City Council consider the Petition to Establish the Sherman Hill Self-Supported Municipal Improvement District at a public hearing to be held on August 14, 2017, at 5:00 p.m., in the Council Chambers, at the Richard A. Clark Municipal Service Center (MSC),

Date July 10, 2017

located at 1551 E. Martin Luther King, Jr. Parkway, Des Moines, Iowa at which time the City Council will hear both those who oppose and those who favor the proposal.

3. That notice of said proposal shall be given by publication once, not less than four nor more than 20 days before the date of hearing, as required by Iowa Code sections 386.3(4) and 362.3.

4. That notice of said proposal shall also be given by certified mail not less than 15 days before the hearing to each property owner within the proposed district at the owner's address as shown by the records of the County Auditor, all as required by Iowa Code section 386.3(4).

5. That notice referred to above shall be in the form attached hereto as Exhibit "A", which contains that information required by Iowa Code section 386.4(5).

MOVED by _____ to adopt.

FORM APPROVED:

Thomas G. Fisher Jr.
Assistant City Attorney

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

June 5, 2017

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 June 1, 2017, the following action was taken regarding establishment of the Sherman Hill Self-Supported Municipal Improvement District (SSMID) for operation and maintenance of identified improvements.

COMMISSION RECOMMENDATION:

After public hearing, the members voted 11-0 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			
Lisa Howard				X
Carolyn Jenison				X
Greg Jones	X			
William Page	X			
Mike Simonson	X			
Rocky Sposato	X			
Steve Wallace	X			
Greg Wattier	X			

APPROVAL of the the evaluative report and petition to merge the two Sherman Hill Self-Supported Municipal Improvement Districts (SSMIDs) into a single district; to expand the footprint of the district to include the majority of the Sherman Hill Neighborhood; and to expand the purposes of the Sherman Hill SSMID).

RECOMMENDATION TO THE P&Z COMMISSION

Staff recommends approval of the evaluative report and petition to merge the two Sherman Hill Self-Supported Municipal Improvement Districts (SSMIDs) into a single district; to expand the footprint of the district to include the majority of the Sherman Hill Neighborhood; and to expand the purposes of the Sherman Hill SSMID).

STAFF REPORT TO THE PLANNING COMMISSION

I. GENERAL INFORMATION

Property owners in the Sherman Hill Neighborhood have submitted a petition to the City Council seeking to merge the two existing Self-Supported Municipal Improvement Districts (SSMIDs), as well as to expand the footprint of the district to include the majority of the Sherman Hill Neighborhood. In addition to the expanded boundaries, the Sherman Hill Neighborhood would like to expand the eligible uses of the funds. The original purpose of the Sherman Hill SSMID and Sherman Hill SSMID No. 2 were to purchase, install, and operate the historic streetlights in the Neighborhood. The current SSMID petition is intended to undertake the acquisition, construction, installation, and maintenance of the following improvements within the boundaries of the new district:

- A decorative pedestrian oriented street lighting system along the public streets.
- A neighborhood park and associated improvements, including but not limited to sidewalks, landscaping, benches, and playground equipment.
- Streetscape improvements, including but not limited to improved sidewalks, benches, pedestrian crosswalks, landscaping, signage, and street restoration.
- Capital, physical, and other improvements designed to enhance the image, appearance, and/or safety of the District.
- Activities and operations benefitting the District under any agreements with the City or other public, quasi-public, or private entities.

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

Jacqueline Easley asked if anyone was present to speak on this item. None were present or requested to speak.

COMMISSION ACTION:

Greg Jones moved staff recommendation for approval of the evaluative report and petition to merge the two Sherman Hill Self-Supported Municipal Improvement Districts (SSMIDs) into a single district; to expand the footprint of the district to include the majority of the Sherman Hill Neighborhood; and to expand the purposes of the Sherman Hill SSMID.

Motion passed 11-0.

Respectfully submitted,



Michael Ludwig, AICP
Planning Administrator

MGL:clw

Attachment

Evaluation of Petition to Establish the "Sherman Hill Self-Supported Municipal Improvement District" and Recommendation to City Council

Property owners in the Sherman Hill Neighborhood within the Proposed District have submitted a petition to the City Council seeking to merge the two existing Self-Supported Municipal Improvement Districts (SSMIDs), as well as to expand the footprint of the district to include the majority of the Sherman Hill Neighborhood. The petition states that the purpose of the SSMID is:

To undertake the acquisition, construction, installation, and maintenance of the following improvements within the boundaries of the new district:

- a) A decorative pedestrian oriented street lighting system along the public streets.
- b) A neighborhood park and associated improvements, including but not limited to sidewalks, landscaping, benches, and playground equipment.
- c) Streetscape improvements, including but not limited to improved sidewalks, benches, pedestrian crosswalks, landscaping, signage, and street restoration.
- d) Capital, physical, and other improvements designed to enhance the image, appearance, and/or safety of the District.
- e) Activities and operations benefitting the District under any agreements with the City or other public, quasi-public, or private entities.

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 eighteen (18) years commencing with the levy of taxes for collection in the fiscal year beginning July 1, 2018 and possible renewal for subsequent five (5) year periods in accordance with the following schedule:

<u>Fiscal Years of Levy</u>	<u>Max. levy per thousand dollars taxable value</u>
2018/19 to 2020/21	\$ 1.50
2022/23 to 2024/25	\$2.00
2026/27 to 2027/28	\$2.50
2028/29 to 2029/30	\$3.00
2030 and later	\$3.50

The City anticipates that a Sherman Hill 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 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 District is comprised of properties zoned for commercial uses and properties within a duly designated historic district.
 - b. The SSMID has been given a descriptive name: "Sherman Hill Self-Supported Municipal Improvement District."
 - c. The property in the District is zoned a mixture of uses: C-2, General Retail and Highway-Oriented Commercial; C-3A, Central Business District Support Commercial; NPC, Neighborhood Pedestrian Commercial District; PUD, Planned Unit Development; and R-HD, Residential Historic that collectively form a majority of the Sherman Hill Neighborhood.
 - d. The current and intended future uses of the property in the District include mixed residential, entertainment, and office uses. Plan DSM has designated the Sherman Hill Neighborhood as predominately Neighborhood Mixed Use. 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 May 25, 2017, the petition has been signed by 51.2% of the owners of taxable property in the district (256 of 500 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 May 25, 2017, the signatures represent property ownership with an assessed value of 57.8% of the total assessed value for taxable property in the District (\$57.9M of \$100.2M).
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 eighteen (18) years commencing with the levy of taxes for collection in the fiscal year beginning July 1, 2018 and possible renewal for subsequent five (5) year periods in accordance with the following schedule:

<u>Fiscal Years of Levy</u>	<u>Max. levy per thousand dollars taxable value</u>
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2026/27 to 2027/28	\$2.50
2028/29 to 2029/30	\$3.00
2030 and later	\$3.50

5. The petition states that the purpose of the SSMID is undertake the acquisition, construction, installation, and maintenance of the following improvements within the boundaries of the new district: A decorative pedestrian oriented street lighting system along the public streets; A neighborhood park and associated improvements, including but not limited to sidewalks, landscaping, benches, and playground equipment; Streetscape improvements, including but not limited to improved sidewalks, benches, pedestrian crosswalks, landscaping, signage, and street restoration; Capital, physical, and other improvements designed to enhance the image, appearance, and/or safety of the District; Activities and operations benefitting the District under any agreements with the City or other public, quasi-public, or private entities.

6. The petition states that proceeds of the Capital Improvement and Operation Fund 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.

7. The activities identified in the purposes of the SSMID further the objectives of Plan DSM by focusing beautification efforts and encouraging redevelopment within neighborhoods.

Feasibility of the Project

In fiscal years 2018/19 through 2020/21, the proposed maximum Capital Improvement and Operation Tax levy of \$1.50/\$1000 of taxable assessed value will generate revenues of approximately \$150,400 annually. The actual levy will be set annually by the City Council after receiving a recommendation from the Sherman Hill District SSMID Board.

The SSMID Capital Improvement and Operation Fund may 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 "Sherman Hill 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 Sherman Hill 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 July 10, 2017.

EXHIBIT "A"

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Boundaries of the Proposed Sherman Hill Self-Supported Municipal Improvement District

