



Date August 28, 2017

**RESOLUTION CLOSING HEARING AND APPROVING PETITION TO
ESTABLISH THE SHERMAN HILL
SELF-SUPPORTED MUNICIPAL IMPROVEMENT DISTRICT**

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, the City Plan and Zoning Commission considered the proposed project and improvements at a public hearing on June 1, 2017, and the City Council received the final report and recommendation of the Commission on June 12, 2017, by Roll Call No. 17-0971.

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, notice of said hearing was published as provided by law in the Des Moines Register on August 22, 2017, 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 August 10, 2017, 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;



Date August 28, 2017

NOW THEREFORE, 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 Sherman Hill 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 or part of a designated historical district.
 - c) The Petition identifies the name of the proposed district as the "Sherman Hill Corridor Self-Supported Municipal Improvement District".
 - d) The Petition identifies that the purpose of the District is as follows:
 - 1) A decorative pedestrian oriented street lighting system along the public streets.
 - 2) A neighborhood park and associated improvements, including but not limited to sidewalks, landscaping, benches and playground equipment.
 - 3) Streetscape improvements, including but not limited to improved sidewalks, benches, pedestrian crosswalks, landscaping, signage, and street restoration.
 - 4) Capital, physical, and other improvements designed to enhance the image, appearance, and/or safety of the District.
 - 5) Activities and operations benefitting the District under any agreements with the City or other public, quasi-public, or private entities.
 - 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 \$3.50 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 further provides for the levy of a Debt Service Tax to be used to pay any or all of the costs of the construction and installation of the Improvements described above, or to pay any legal indebtedness incurred by the City for the cost of such Improvements.



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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 Sherman Hill 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).

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).

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.


COUNCIL ACTION	YEAS	NAYS	PASS	ABSENT
COWNIE				
COLEMAN				
GATTO				
GRAY				
HENSLEY				
MOORE				
WESTERGAARD				
TOTAL				

MOTION CARRIED

APPROVED

Mayor

City Clerk

 <div style="text-align: center;"> <h1>Council Communication</h1> <p>Office of the City Manager</p> </div>	Date: July 10, 2017
	Agenda Item No. 43 Roll Call No. [17-1193] Communication No. 17-533 Submitted by: Phillip Delafield, Community Development Director

AGENDA HEADING:

Public hearing regarding petition to establish the Sherman Hill Self-Supported Municipal Improvement District (SSMID).

SYNOPSIS:

The City Council shall hear all owners of property in the proposed Sherman Hill SSMID or other residents of the City desiring to express their views. The City Council must wait at least 30 days after the public hearings have been held before it may adopt an ordinance establishing a SSMID. Staff recommends that the Council close the public hearing on establishment of the district and find that the petition and the district satisfy the applicable requirements imposed by Iowa Code Chapter 386. The Council should also direct staff to prepare an ordinance for consideration on August 14, 2017.

FISCAL IMPACT:

Amount: Anticipated annual revenue of approximately \$150,400 (based on \$1.50 per \$1,00 of assessed valuation). The Sherman Hill SSMID #1 currently has a balance of \$21,446 and Sherman Hill SSMID #2 currently has a balance of \$265,963. Those balances will be combined and transferred to the new SSMID account.

Funding Source: A new "Sherman Hill SSMID" account will be established as part of the 2018-2019 budget process.

ADDITIONAL INFORMATION:

- On May 8, 2017, the City Council received and filed the petition to amend and merge the two (2) existing Sherman Hill SSMIDs into a single district and expand the footprint of the district to include the majority of the Sherman Hill Neighborhood. The Council also directed that the Plan and Zoning Commission prepare an evaluative report and recommendation on the "merit" and "feasibility" of the SSMID.
- The Plan and Zoning Commission's evaluative report and recommendations to approve the Sherman Hill SSMID were received and filed by the City Council on June 12, 2017 and the City Council set the date of public hearing for July 10, 2017.

- Notice of public hearing was published in the Des Moines Register on June 28, 2017. A copy of the notice was mailed by certified mail on June 23, 2017 to all owners of record of real property located within the proposed District as shown by the records of the Polk County Auditor.
- The purpose of the Sherman Hill SSMID is 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
- The petition contains signatures from more than 25% of the owners of taxable properties within the District. As of June 29, 2017, the petition has been signed by 51.2% of the owners of taxable property in the district (256 of 500).
- 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 June 29, 2017, the signatures represent property ownership with an assessed value of 57.8% of the total assessed value for taxable property in the District (\$57.9 M of \$100.2 M).
- 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.

PREVIOUS COUNCIL ACTION(S):

Date: May 8, 2017

Roll Call Number: 17-0784

Action: Receipt of petitions to establish a Sherman Hill Self-Supported Municipal Improvement District (SSMID), merging two districts into a single district. (Council Communication No. 17-394) Moved by Hensley to receive, file and refer to the Plan and Zoning Commission, petitions to establish a Sherman Hill Self-Supported Municipal Improvement District. Motion Carried 7-0.

BOARD/COMMISSION ACTION(S):

Board: Plan and Zoning Commission

Date: June 1, 2017

Resolution Number: N/A

Action: Approval of the evaluative report and petition to merge the two Sherman Hill Self-Supported Municipal Improvement Districts (SSMIDs) into a single district; 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.

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:

First reading of an ordinance establishing the Sherman Hill SSMID on August 14, 2017.

For more information on this and other agenda items, please call the City Clerk's Office at 515-283-4209 or visit the Clerk's Office on the first floor of City Administration Building, 400 E. Court Avenue Ste.116. Council agendas are available to the public at the City Clerk's Office on Thursday afternoon preceding Monday's Council meeting. Citizens can also request to receive meeting notices and agendas by email by calling the Clerk's Office or sending their request via email to cityclerk@dmgov.org.



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Date July 10, 2017

Agenda Item 43

Roll Call # 17-1193

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>
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

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"

17-119359

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

