



Date February 7, 2022

RESOLUTION CLOSING HEARING ON THE PROPOSED CARPENTER URBAN RENEWAL PLAN, ACCEPTING AND FILING RECOMMENDATION OF PLAN AND ZONING COMMISSION AND ADOPTING THE URBAN RENEWAL PLAN

WHEREAS, the proposed Carpenter Urban Renewal Area consists of consists of approximately 77-acres and is located generally east of Drake University, between Forest Avenue, Martin Luther King Jr Parkway, University Avenue, and 25th Street, with additional parcels north of Forest Avenue and south of University Avenue as shown in the Carpenter Urban Renewal Plan; and,

WHEREAS, the City Manager has prepared the Carpenter Urban Renewal Plan (the “Urban Renewal Plan”), an urban renewal plan for an urban renewal area known as the Carpenter Urban Renewal Area. The Urban Renewal Plan is attached to this Resolution and on file and available for public inspection in the office of the City Clerk; and,

WHEREAS, the Urban Renewal Plan seeks to enhance private development within the proposed Carpenter Urban Renewal Area through provision of infrastructure improvements and 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 December 20, 2021, by Roll Call No. 21-1915, the City Council resolved that a public hearing on the proposed Urban Renewal Plan be held on February 7, 2022; and,

WHEREAS, on December 21, 2021, the Urban Design Review Board reviewed the proposed Urban Renewal Plan and recommended approval by a vote of 6-0; and,

WHEREAS, on January 20, 2022, the City Plan and Zoning Commission reviewed the proposed Urban Renewal Plan for conformity with PlanDSM: Creating Our Tomorrow Plan, the adopted comprehensive plan for the development of the City as a whole and found the proposed Urban Renewal Plan in conformity with the comprehensive plan by a vote of 10-4; and,

WHEREAS, on January 19, 2022, notice of this public hearing was published in the Des Moines Register, as required by Section 403.5(3) of the Iowa Code as shown in the attached affidavit labelled as Exhibit A; and,

WHEREAS, notice was given by ordinary mail to the Des Moines Independent Community School District, Des Moines Area Community College, Des Moines Regional Transit Authority (DART) and Polk County of a consultation meeting to be held in Des Moines City Hall and virtually on January 19, 2022, which was attended by Polk County and DART; and,

Date February 7, 2022

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

WHEREAS, the Carpenter 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 Carpenter Urban Renewal Plan is hereby closed.
2. The Plan and Zoning Commission determination that the Carpenter Urban Renewal Plan is in conformance with the PlanDSM: Creating our Tomorrow Plan, on January 20, 2022, by a vote of 10-4 was received 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. However, property may be acquired in the future by voluntary acquisition or otherwise for the extension of public utilities and infrastructure necessary to properly serve the area.
4. The Urban Renewal Plan for the Carpenter 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.

(Council Communication No. 22-049)

 **Roll Call Number**

Agenda Item Number

42A ✓

Date February 7, 2022

MOVED by _____ to adopt.

FORM APPROVED:

/s/ Thomas G. Fisher Jr.

Thomas G. Fisher Jr.

Assistant City Attorney

COUNCIL ACTION	YEAS	NAYS	PASS	ABSENT
COWNIE				
BOESEN				
GATTO				
MANDELBAUM				
SHEUMAKER				
VOSS				
WESTERGAARD				
TOTAL				
MOTION CARRIED			APPROVED	
_____ Mayor				

CERTIFICATE

I, P. KAY CMELIK, 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



Date 2/7/22

Agenda Item 42 A

Roll Call # _____

January 26, 2022

Communication from the City Plan and Zoning Commission advising that at their January 20, 2022 meeting, the following action was taken regarding a City initiated request for Determination as to whether the proposed Carpenter Urban Renewal Plan is in conformance with the PlanDSM Creating Our Tomorrow Plan.

COMMISSION RECOMMENDATION:

After public hearing, the members voted 10-4 as follows:

<u>Commission Action:</u>	<u>Yes</u>	<u>Nays</u>	<u>Pass</u>	<u>Absent</u>
Francis Boggus	X			
Dory Briles	X			
Abby Chungath		X		
Kayla Berkson	X			
Chris Draper		X		
Jann Freed	X			
Todd Garner	X			
Johnny Alcivar		X		
Lisa Howard	X			
Carolyn Jenison		X		
William Page	X			
Andrew Lorentzen	X			
Greg Wattier	X			
Emily Webb	X			

APPROVAL of the proposed Carpenter Urban Renewal Plan is in conformance with the *PlanDSM: Creating Our Tomorrow Plan*. Additionally, the Commission recommends that future urban renewal plans discuss how tax increment financing (TIF) might be used in greater detail and that they include average earned income information for the plan area, that the City's overall tax increment financing program be analyzed to ensure best practices are being used and that the program is achieving the desired outcomes, and that these efforts be undertaken before any new urban renew plans are prepared.

(10-2021-5.05)

STAFF RECOMMENDATION TO THE P&Z COMMISSION

Staff recommends that the Commission find the proposed Carpenter Urban Renewal Plan in conformance with the *PlanDSM: Creating Our Tomorrow Plan*.

STAFF REPORT TO THE PLANNING COMMISSION

I. GENERAL INFORMATION

1. **Purpose of Request:** Included in the Commission's packet is a draft version of the Carpenter Urban Renewal Plan (URP).

The proposed urban renewal area consists of approximately 77.82 acres located to the east of Drake University. The Plan Area is generally located between Forest Avenue to the north, Martin Luther King, Jr Parkway to the east, University Avenue to the south, and 25th Street to the west, with additional parcels north of Forest Avenue and south of University Avenue also included.

II. ADDITIONAL APPLICABLE INFORMATION

1. **Urban Renewal Plan Goals and Objectives:** The primary goal for the Carpenter Renewal Plan is to alleviate slum and blight, facilitate redevelopment in order to activate new economic investment leading to increased tax base, creation of jobs, and to provide additional vitality to the area for students, residents, and visitors.

Objectives for the plan include:

- Provide an attractive and appealing physical environment for residents to improve the livability of the Urban Renewal Area.
- Increase the retail and commercial offerings in the Area for students, faculty, and neighbors to help facilitate year-round activism of the Drake neighborhood and campus.
- Encourage and facilitate high quality redevelopment of commercial and multi-family uses and the associated employment opportunities within the Plan Area.
- 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.
- Encourage the incorporation of long-term sustainability into site development and building construction, particularly the efficient use of energy in heating, ventilation and cooling system design.

2. **PlanDSM Comprehensive Plan:** A prerequisite for an urban renewal plan is a comprehensive 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.

The City's Comprehensive Plan, *PlanDSM*, was adopted by the City Council on April 25, 2016, by Roll Call 16-0717. The future land use would show the land outside the street Rights-Of-Way as a mix of Neighborhood Mixed Use and Low-Medium Density Residential, all within a Neighborhood Node centered along University Avenue. Descriptions of each land use classification are provided below.

Neighborhood Mixed Use: Small scale mixed use development typically located at the intersections of collector and/or arterial streets and along transportation corridors. Non-residential development is designed to serve the immediate neighborhood and include small retail, offices, restaurants, and service oriented development. Low-medium density residential may be included in mixed use development.

Low-Medium Density Residential: Areas developed with a mix of single family, duplex and small multi-family units up to 12 units per net acre.

Public/Semi-Public: Areas that are mostly open to public use or public access. May include government facilities, schools, hospitals, libraries and community facilities.

Neighborhood Node: These nodes are the smallest in size and offer services that provide for basic daily needs of the local population in the surrounding neighborhood. May include restaurants, shops and smaller scale businesses. Residential development including low-medium and medium densities may occur.

The proposed goals and objectives contained the Carpenter Urban Renewal Plan (listed in the previous section of this Staff Report) align with several contained in *PlanDSM: Creating Our Tomorrow* comprehensive plan, including the following:

Housing:

- Goal 1: Provide a diversity of housing options to accommodate residents of all ages, income levels, household sizes, and cultural backgrounds;
- Goal 2: Preserve, maintain, and improve the existing inventory of single-family and multi-family housing;
- Goal 3: Promote sustainable housing development that utilizes existing resources and supports compact, walkable, and bike-able neighborhoods;

Economic Development:

- Goal 1: Foster economic prosperity and stability by retaining existing businesses and recruiting new businesses;
- Goal 2: Focus economic development efforts in strategic locations for continued vitality and growth;

Community Character and Neighborhoods:

- Goal 1: Embrace the distinct character offered in each of Des Moines' neighborhoods;
- Goal 2: Further Des Moines' revitalization efforts to improve the strength, stability, and vitality of all neighborhoods;

- Goal 3: Promote the redevelopment and revitalization of neighborhood nodes and corridors;
- Goal 4: Strengthen the walkability and connectivity within and between neighborhoods.

SUMMARY OF DISCUSSION

Naomi Hamlett gave an overview presentation on the Carpenter Urban Renewal Plan, as well as a summary of an initial development project proposed within the plan area.

Chris Draper asked what the AMI (annual medium income) is for the area.

Naomi Hamlett stated the Polk County Housing Trust Fund website houses that information.

Bert Drost presented the AMI breakdown on the Polk County Housing Trust Fund website.

Chris Draper asked if this would be for the entire Carpenter Area or just this specific project.

Naomi Hamlett stated this individual project would allow 20% of its units at the AMI rate.

Chris Draper stated the commission is being asked if this plan is in conformance with PlanDSM.

Naomi Hamlett stated yes, it would be if the whole plan is in conformance, not this particular project.

Jason Van Essen stated the development project that was presented is not what the commission is voting on. It was presented as informational since it has been discussed publicly elsewhere.

Chris Draper asked do we know what the AMI would be for Carpenter as a whole.

Naomi Hamlett stated they would need to do that by census tracts but wouldn't have the exact boundary AMI.

Chris Draper asked if anything is different in this plan from other urban renewal plans the commission has seen in respect to how TIF will be used.

Naomi Hamlett stated urban renewal plans are general. Development agreements are specific and would tie to a particular measurement.

Chris Draper asked if there is any strategy to reduce displacement.

Naomi Hamlett stated she doesn't see any units being displaced but the plan itself wouldn't address displacement.

CHAIRPERSON OPENED THE PUBLIC HEARING

Taylor Webber 1334 Carrie Avenue stated he has been attending City Council meetings regularly and has seen an aggressive amount of TIF dollars going back to developers. He would like to echo the concern of how TIF money will be used because the rent numbers shown are not affordable. This area has a lack of availability to fresh food and produce. He believes this plan shouldn't be approved and more stringent language around how these goals will actually be accomplished should be added.

Brandi Webber 1334 Carrie Avenue stated before plans like these are approved by City Council, we need to make sure developers are committed to helping our community. She would like to see some of these units available below the poverty line if we want to make any impact on the housing crisis in Des Moines.

Todd Garner asked why a number of properties around the renewal boundary were not included in the plan.

Naomi Hamlett stated the reason they went as far east as Martin Luther King, Jr. Parkway was to match up with the boundary of an existing federal opportunity zone. In an opportunity zone tax breaks for capital gains are available if the capital gains are invested within the zone.

Todd Garner asked why the properties on the northeast corner were not included.

Jason Van Essen stated those properties have been invested in recently and the likelihood of redevelopment is low.

Andrew Lorentzen asked if those properties would not be eligible for TIF dollars.

Naomi Hamlett stated that would be the case unless another urban renewal plan was adopted.

CHAIRPERSON CLOSED THE PUBLIC HEARING

Chris Draper stated he believes we should be using best practices around how TIF money is allocated and if we aren't, believes that the proposed plan would not comply with the objective of PlanDSM.

Carolyn Jension asked if this is a problem that can be solve tonight or do these concerns need to be taken elsewhere.

Chris Draper stated right now this plan does not meet the objectives of PlanDSM. Although the commission can't control the whole process, you have to start somewhere and that's why he will vote opposition.

Will Page stated the project in front of the commission tonight will be a benefit to the City as a whole. He would move the adoption of the plan with the addition of more research be done to address the concerns discussed tonight before another urban renewal plan comes in front of the commission.

Chris Draper asked if this Urban Renewal plan would need to be approved before TIF dollars are available. If denied, the plan would need to be revised and come back in front of the commission?

Jason Van Essen stated the commission is in a position to make a yes or no recommendation to City Council, which is the body that decides if the proposed urban renewal plan conforms with the City's comprehensive plan. The motion will need to include approval or denial but can include additional recommendations to the City Council.

Andrew Lorentzen asked what other good will come from an approval by the commission tonight beside the one project they are being asked to vote on?

Todd Garner stated this project will spur further development and if affordable housing is a criterion, then that needs to be a criterion for future developers. As other projects come along, affordable housing will be removed from this area just like it happened in other TIF districts.

Johnny Alcivar asked why this one project is triggering the urban renewal plan given all the development happening around this area.

Chris Draper stated he would like to echo those thoughts. In the future, we need to have more thought around the strategy we are trying to deploy with this funding mechanism. The data does not indicate that these efforts pay off when we aren't investing in public housing.

COMMISSION ACTION:

Will Page made a motion that the proposed Carpenter Urban Renewal Plan is in conformance with the *PlanDSM: Creating Our Tomorrow Plan*. Additionally, the Commission recommends that future urban renewal plans discuss how tax increment financing (TIF) might be used in greater detail and that they include average earned income information for the plan area, that the City's overall tax increment financing program be analyzed to ensure best practices are being used and that the program is achieving the desired outcomes, and that these efforts be undertaken before any new urban renewal plans are prepared.

Motion passed: 10-4

Respectfully submitted,



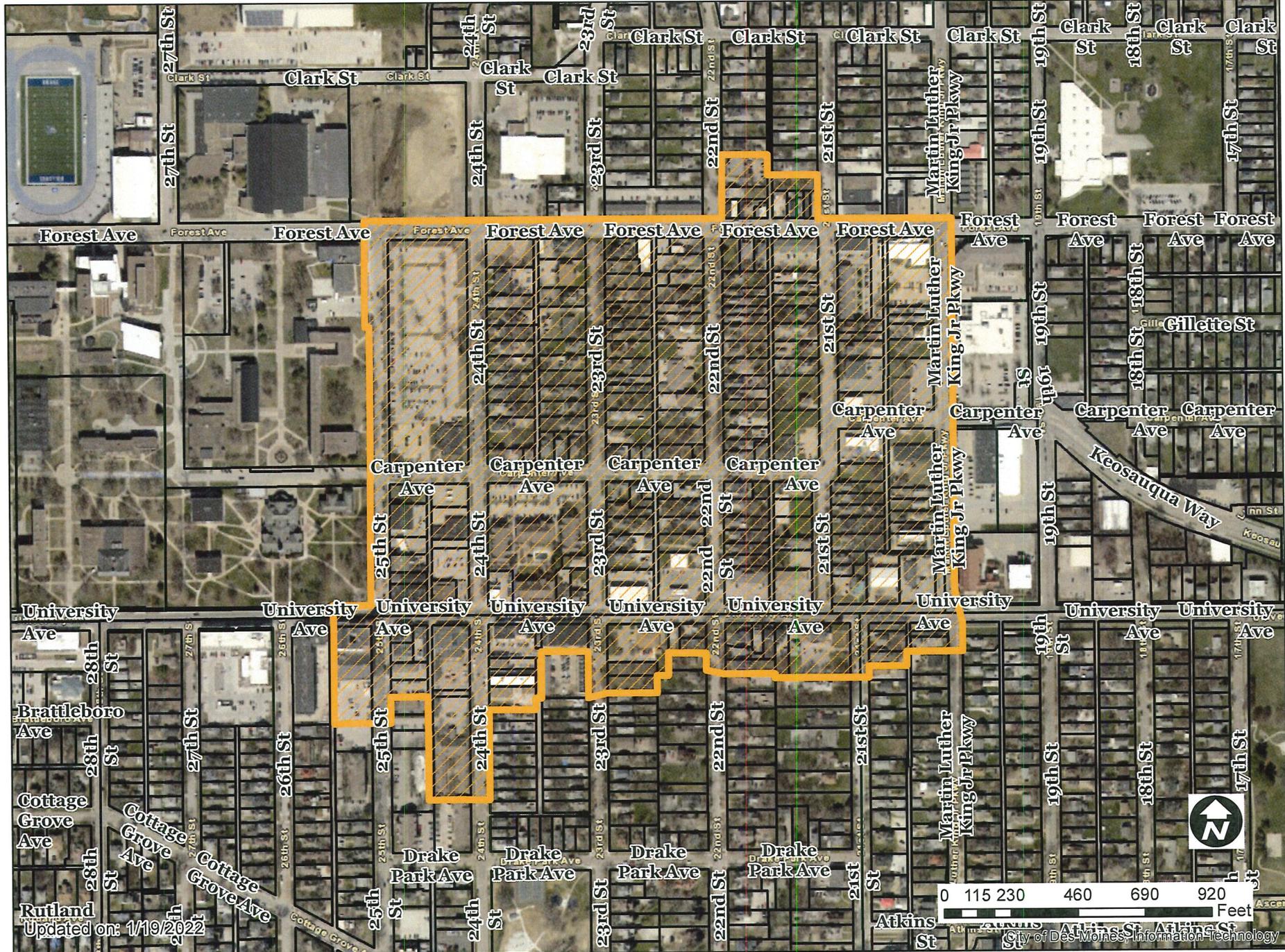
Jason Van Essen, AICP
Planning & Urban Design Administrator

JMV:tjh

42A

Carpenter Urban Renewal Plan

10-2021-5.05



Updated on: 1/19/2022

0 115 230 460 690 920 Feet

City of Des Moines, Information Technology

1 inch = 438 feet

42A

Prepared by: Naomi Hamlett, 602 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: Carpenter Urban Renewal Plan
Grantor/Grantee: City of Des Moines, Iowa
Legal Description: See Exhibit "A" at page 9, below

CARPENTER 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 Carpenter Urban Renewal Area

The general location and boundary of the Carpenter Urban Renewal Area is shown on *Map 1 – Boundary of Urban Renewal Area*.

This Urban Renewal Area consists of approximately 77.82 acres and is generally located between Forest Avenue, Martin Luther King Jr Parkway, University Avenue, and 25th Street, with additional parcels north of Forest Avenue and south of University Avenue also included. The Plan Area is generally located to the east of Drake University.

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 Carpenter Urban Renewal Plan is to encourage the removal of and redevelopment of blighted, obsolete, and underutilized property within the Urban Renewal Area and to activate new economic investment leading to increased taxable valuation. The City of Des Moines believes that the designation of the Urban Renewal Area and the adoption of this Plan will strengthen and revitalize the local economy through:

1. Guidance of the development of the Urban Renewal Area in a manner that is consistent with the Comprehensive Plan, and that provides for the physical and economic enhancement of the area.
2. Creation of financial incentives as necessary to remove blighted properties and to encourage new businesses to invest in the Urban Renewal Area.
3. Creation of quality permanent employment opportunities for residents.
4. Support the development of and access to quality affordable housing.
5. Directing new growth and redevelopment to an identified neighborhood node based on proximity to transit, shopping, services and public amenities.
6. Expansion of the property tax base of the Urban Renewal Area, and subsequently contributing to the economic betterment of the full City of Des Moines.
7. Creation of additional vitality to the area for students, residents, and visitors through redevelopment of existing properties.

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. After a comprehensive plan for the municipality has been adopted, the municipality may prepare, adopt and implement an

urban renewal plan for the purpose of rehabilitation, conservation, development, redevelopment, or a combination thereof, of a designated urban renewal project area to promote the public health, safety or welfare of the residents of this municipality.

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

II. BACKGROUND INFORMATION

A. General Information

Clusters of the earliest suburban development in the metro area began in what is now known as the Drake Neighborhood in the 1870's. (The Carpenter neighborhood is a sub-area of the Drake neighborhood.) The suburb, University Place was incorporated in 1883, and then shortly after – in 1890 – was annexed by the City of Des Moines. The founding of Drake University in 1881 sent into motion the development patterns that have continued and endured since.

General Francis Marion Drake, a Civic War hero and wealthy railroad owner who would go on to serve a term as governor of Iowa is the namesake of the University. He and other university backers purchased 140 acres of land and embarked on an ambitious funding plan for campus buildings that involved selling lots through the University Land Company. The land company carefully and purposefully laid out an attractive community with spacious lots, wide streets, alleys, and parkland – all centered around the 5-acre Drake University. For each lot that sold, 25% of the price was donated to the University. Lot buyers were encouraged to build houses as soon as possible so that students attending the university would have a place to stay. The university did not have on-campus dormitories for its first 50 years, and instead relied on homeowners to board students.

After World War II, when Drake University enrollment spiked thanks to the GI Bill, the university eagerly repurchased land it had originally sold in order to expand. Some homeowners around the campus converted their houses into apartment as the financial incentives rose.

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 proposed Carpenter Urban Renewal Area. There have been two previous urban renewal plans within this general area that are no longer in effect. The “Drake/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 was terminated concurrently with the designation of the “Drake Urban Renewal Plan,” which was adopted by City Council on October 24, 2005 by Roll Call No. 05-2584. That second Plan expired on January 1, 2016. Since then, a new “Drake Urban Renewal Plan,” which is located to the west of this Urban Renewal Area was adopted on January 14, 2019 by Roll Call No. 19-0085.

B. Existing Land Use

The Carpenter Urban Renewal Area includes residential, multi-family, commercial, and public/semi-public uses. These uses are shown in *Map 2 – 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. All goals and objectives of the Carpenter 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 designated as Low Density Residential, Low-Medium Density Residential, Neighborhood Mixed Use and Public/Semi-Public. The majority of the Plan Area is within a neighborhood node. Depending on the type of development projects that eventually occur throughout the Plan Area, a Land Use amendment may be required. *Map 3-Plan DSM Land Use Map* further details the proposed land uses for this general area.

D. Conformance with the City’s Zoning Requirements

The Plan Area (exclusive of the street rights-of-way) is zoned as MX2, N5, N5-4, NX1, RX1, RX2, P2, and PUD, Planned Unit Development as shown on *Map 4 - Existing Zoning*.

The majority of the two most western blocks between University Avenue and Forest Avenue, and between 24th Street and 25 Street, are currently zoned PUD, with a portion that is zoned R-3 and another portion that is zoned C-1. It is anticipated that this area will be rezoned for an anticipated development project. 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 Carpenter 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 slum and blight due to existing conditions. The 2018 esri data for the census tract that encompasses this Urban Renewal Area reports that the social and economic conditions of the census tract are rather bleak. The median household income in the census tract is 62% of the median household income in the state of Iowa and 60.2% of that in the U.S. The median home value in the census tract is 48.4% of the median home value in the state and 32.8% of that in the U.S. The per capita income is less than half of that in the state and the U.S. Within the census tract, 18.5% of the people earn less than \$15,000 per year. This compares to 9.9% of the state and 11.2% of the U.S. Of the people over 25 years of age, 21.4% do not have a high school diploma. This compares to 8.3% in the state and 12.3% in the U.S.

A national planning and development consulting firm, czb, which was hired to review the City’s neighborhood planning work, commented about the residential neighborhood

including within the Area boundary: “The scale of deferred maintenance in the housing stock after decades of neglect is considerable, as is the cultural and socioeconomic gap between homeowners and renters in what is now one of the city’s most diverse neighborhoods by income, race, and ethnicity.” As part of the consultant’s work, City staff reviewed the residential structures across the City, and assigned a rating from 1-5 to each residential structure. Of the 25 residential properties in the block between 23rd and 24th Streets, between University Avenue and Forest Avenue, 17 structures are considered to be of the worst or second-worst condition; seven are in the middle; and only one is considered to be in the second quartile. The surrounding residential blocks are similar.

In addition, the entire Plan Area boundary is part of an Opportunity Zone, one of the 62 Zones in Iowa. The zones are based on census tract boundaries. In order to qualify for nomination, the census tract had to be a Low Income Community Census Tract, which means that the tract has a poverty rate of 20% or greater and/or family income less than 80% of the area’s median income.

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 primary goal for the Carpenter Renewal Plan is to alleviate slum and blight, facilitate redevelopment in order to activate new economic investment leading to increased tax base, creation of jobs, and to provide additional vitality to the area for students, residents, and visitors.

Objectives for the plan include:

- Provide an attractive and appealing physical environment for residents to improve the livability of the Urban Renewal Area.
- Increase the retail and commercial offerings in the Area for students, faculty, and neighbors to help facilitate year-round activism of the Drake neighborhood and campus.
- Encourage and facilitate high quality redevelopment of commercial and multi-family uses and the associated employment opportunities within the Plan Area.
- 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.

- Encourage the incorporation of long-term sustainability into site development and building construction, particularly the efficient use of energy in heating, ventilation and cooling system design.

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 Carpenter 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 properties' 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, public art, 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

A portion of the urban renewal area will be designated as a tax increment district. A financial condition report is included as *Appendix C-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 Carpenter 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 Carpenter 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 Carpenter Urban Renewal Area in conformance with this Plan.

V. DURATION OF URBAN RENEWAL PLAN

This Plan shall continue in effect until terminated by the City Council by resolution.

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 – Carpenter Urban Renewal Area

BEGINNING AT THE INTERSECTION OF THE NORTH RIGHT OF WAY LINE OF UNIVERSITY AVENUE AND THE WEST RIGHT OF WAY LINE OF 25TH STREET; THENCE NORTH ALONG SAID WEST RIGHT OF WAY LINE TO THE NORTH RIGHT OF WAY LINE OF FOREST AVENUE; THENCE EAST ALONG SAID NORTH RIGHT OF WAY OF FOREST AVENUE TO THE EAST RIGHT OF WAY LINE OF 22ND STREET; THENCE NORTH ALONG SAID EAST RIGHT OF WAY LINE TO THE NORTH LINE OF LOT 8 IN BLOCK 3 OF MARQUARDT ADDITION TO NORTH DES MOINES, AN OFFICIAL PLAT; THENCE WEST ALONG SAID NORTH LINE TO THE EAST LINE OF SAID LOT 8; THENCE SOUTH ALONG THE EAST LINE OF LOTS 8 AND 7 OF SAID BLOCK 3 TO THE EASTERLY EXTENSION OF THE SOUTH LINE OF THE NORTH 40.94 FEET OF LOT 1 IN SAID BLOCK 3; THENCE EAST ALONG SAID EASTERLY EXTENSION AND CONTINUING ALONG SAID SOUTH LINE TO THE WEST RIGHT OF WAY LINE OF 21ST STREET; THENCE SOUTH ALONG SAID WEST RIGHT OF WAY LINE TO THE NORTH RIGHT OF WAY LINE OF SAID FOREST AVENUE; THENCE EAST ALONG SAID NORTH RIGHT OF WAY TO THE EAST RIGHT OF WAY LINE OF MARTIN LUTHER KING JR PARKWAY; THENCE SOUTH ALONG SAID EAST RIGHT OF WAY LINE TO THE EASTERLY EXTENSION OF THE SOUTH LINE OF LOT 12 IN T.M. WALKER'S ELM GROVE ADDITION, AN OFFICIAL PLAT; THENCE WEST ALONG SAID EASTERLY EXTENSION AND ALONG THE SOUTH LINE OF SAID LOT 12 TO THE SOUTHWEST CORNER OF SAID LOT 12; THENCE CONTINUING WEST ALONG A LINE TO THE NORTHEAST CORNER OF LOT 8 IN SAID T.M. WALKER'S ELM GROVE ADDITION; THENCE SOUTH ALONG THE EAST LINE OF SAID LOT 8 TO THE SOUTHEAST CORNER OF SAID LOT 8; THENCE WEST ALONG THE SOUTH LINE OF SAID LOT 8 TO THE EAST RIGHT OF WAY LINE OF 21ST STREET; THENCE SOUTH ALONG SAID EAST RIGHT OF WAY LINE TO THE EASTERLY EXTENSION OF THE SOUTH LINE OF LOT 1 IN COTTAGE GROVE REPLAT, AN OFFICIAL PLAT; THENCE WEST ALONG THE SAID EASTERLY EXTENSION TO THE SOUTH EAST CORNER OF SAID LOT 1; THENCE CONTINUING WEST ALONG THE SOUTH LINES OF LOTS 1 AND 26 OF SAID COTTAGE GROVE REPLAT TO THE EAST LINE OF LOT 23 OF SAID COTTAGE GROVE REPLAT; THENCE NORTH TO THE NORTH LINE OF SAID LOT 23; THENCE WEST ALONG SAID NORTH LINE AND ITS WESTERLY EXTENSION TO THE WEST RIGHT OF WAY LINE OF 22ND STREET; THENCE NORTH ALONG SAID WEST RIGHT OF WAY LINE TO THE NORTH LINE OF PARCEL "C" RECORDED IN BOOK 12966 PAGE 232 AT THE RECORDER'S OFFICE OF POLK COUNTY, IOWA; THENCE WEST ALONG SAID NORTH LINE TO THE NORTHWEST CORNER OF SAID PARCEL "C"; THENCE SOUTH ALONG THE WEST LINE OF SAID PARCEL "C" TO THE SOUTHWEST CORNER OF SAID PARCEL "C", ALSO SAID SOUTHWEST CORNER BEING A NORTHWESTERLY CORNER OF PARCEL "D" RECORDED IN BOOK 12966 PAGE 232 AT THE RECORDER'S OFFICE OF POLK COUNTY, IOWA; THENCE CONTINUING SOUTH ALONG A WESTERLY LINE OF SAID PARCEL "D" TO A CORNER OF SAID PARCEL "D"; THENCE WEST ALONG A NORTHERLY LINE OF SAID PARCEL "D" TO THE MOST WESTERLY NORTHWEST CORNER OF SAID PARCEL "D", SAID MOST WESTERLY NORTHWEST CORNER BEING ON THE EAST LINE OF LOT 5 IN BLOCK 4 OF COTTAGE GROVE, AN OFFICIAL PLAT; THENCE SOUTH ALONG SAID EAST LINE TO THE SOUTH LINE OF THE NORTH 238 FEET OF SAID LOT 5; THENCE WEST ALONG SAID SOUTH LINE AND ITS WESTERLY EXTENSION TO THE WEST RIGHT OF WAY LINE OF 23RD STREET; THENCE NORTH ALONG SAID WEST RIGHT OF WAY LINE TO THE NORTH LINE OF LOT 34 OF DRAKE UNIVERSITY'S THIRD ADDITION TO THE CITY OF DES MOINES, AN OFFICIAL PLAT; THENCE WEST ALONG SAID NORTH LINE TO THE NORTHWEST CORNER OF SAID LOT 34; THENCE SOUTH ALONG THE WEST LINE OF SAID LOT 34 TO THE SOUTHWEST CORNER OF LOT 38 IN SAID DRAKE UNIVERSITY'S THIRD ADDITION TO THE CITY OF DES MOINES; THENCE WEST ALONG A STRAIGHT LINE TO THE SOUTHEAST CORNER OF LOT 24 IN SAID DRAKE UNIVERSITY'S THIRD ADDITION TO THE CITY OF DES MOINES; THENCE CONTINUING WEST ALONG THE SOUTH LINE OF SAID LOT 24 TO THE EAST RIGHT OF WAY LINE OF 24TH STREET; THENCE SOUTH ALONG SAID EAST RIGHT OF WAY LINE TO THE EASTERLY EXTENSION OF THE SOUTH LINE OF LOT 129 OF THE SUBDIVISION OF LOTS 2 AND 4 OF THE OFFICIAL PLAT OF THE NW ¼ OF SECTION 5, TOWNSHIP 78 NORTH, RANGE 24 WEST OF THE 5TH P.M.; THENCE WEST ALONG SAID EASTERLY EXTENSION TO THE SOUTHEAST CORNER

42A

OF SAID LOT 129; THENCE CONTINUING ALONG SAID SOUTH LINE AND ITS WESTERLY EXTENSION TO THE EAST LINES OF LOTS 143 THROUGH 148 OF SAID SUBDIVISION OF LOTS 2 AND 4 OF THE OFFICIAL PLAT OF THE NW ¼ OF SECTION 5, TOWNSHIP 78 NORTH, RANGE 24 WEST OF THE 5TH P.M.; THENCE NORTH ALONG SAID EAST LINES TO THE NORTH LINE OF SAID LOT 143; THENCE WEST ALONG SAID NORTH LINE TO THE EAST RIGHT OF WAY LINE OF 25TH STREET; THENCE SOUTH ALONG SAID EAST RIGHT OF WAY LINE TO THE EASTERLY EXTENSION OF THE SOUTH LINE OF LOT 7 IN DRAKE UNIVERSITY'S SECOND ADDITION TO THE CITY OF DES MOINES, AN OFFICIAL PLAT; THENCE WEST ALONG SAID EASTERLY EXTENSION TO THE SOUTHEAST CORNER OF SAID LOT 7; THENCE CONTINUING WEST ALONG SAID SOUTH LINE AND ITS WESTERLY EXTENSION TO THE WEST RIGHT OF WAY LINE OF THE NORTH/SOUTH ALLEY LYING WEST OF AND ADJOINING LOTS 1 THROUGH 7 OF SAID DRAKE UNIVERSITY'S SECOND ADDITION TO THE CITY OF DES MOINES; THENCE NORTH ALONG SAID WEST RIGHT OF WAY LINE AND ITS NORTHERLY EXTENSION TO THE NORTH RIGHT OF WAY LINE OF UNIVERSITY AVENUE; THENCE EAST ALONG SAID NORTH RIGHT OF WAY LINE TO THE POINT OF BEGINNING.

Appendix “B”

Financial Condition Report - Carpenter Urban Renewal Area

The City has, by Ordinance No. _____ passed _____, 2022, designated the Carpenter 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 Carpenter 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 an economic development 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 Carpenter Urban Renewal Area on _____, 2022, by Roll Call No. _____. 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, 2021, the City of Des Moines has approximately \$589.6 million in general obligation debt. Of this debt, approximately \$120.5 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 \$725.3 million. The Carpenter 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 Carpenter Urban Renewal Area is approximately \$865,440. The total taxable value of all property within the Urban Renewal area as of January 1, 2021, is estimated at approximately \$865,440.

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 \$865,440 for the urban renewal area.

Future Financial Condition

Shown below is a table that projects estimated property tax revenues and expenditures from the Carpenter 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.)

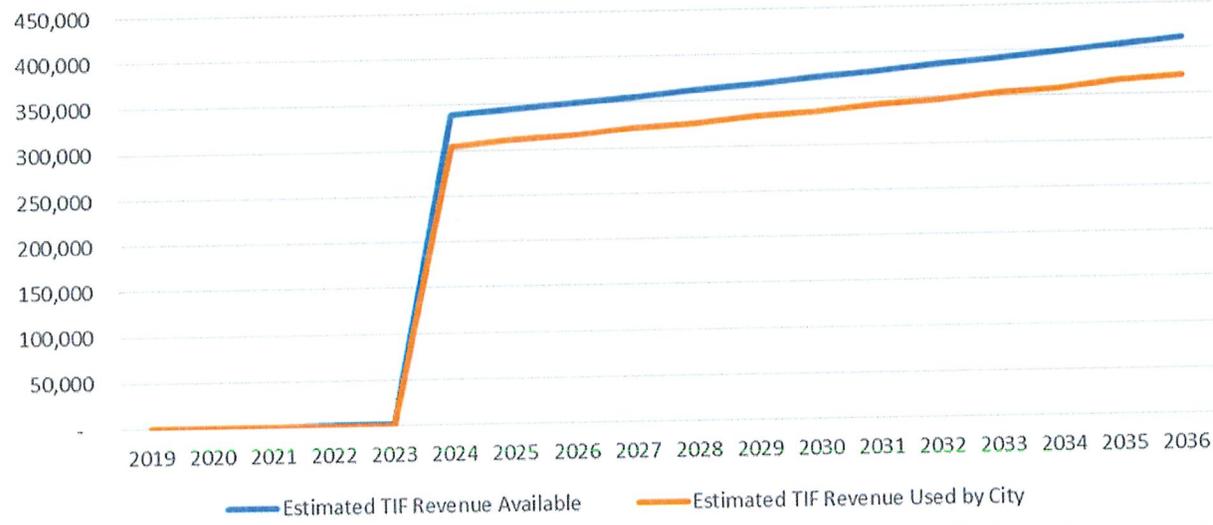
The revenue projections shown are based on increases in property tax revenues conservatively estimated with an annual growth rate of 1.5%. The Tax Increment Revenue generated by the assessed value existing on any January 1st is paid and collected in the fiscal year commencing 18 month later.

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

Assessment Year	Base Valuation	Total Assessed Valuation	New Increment Valuation	TIF Valuation Used	Estimated TIF Revenue Available	Estimated TIF Revenue Used by City	Percent Valuation Used
2021	865,440	865,440	-	-	-	-	0%
2022	865,440	878,422	12,982	-	480	-	0%
2023	865,440	891,598	26,158	-	968	-	0%
2024	865,440	10,027,372	9,161,932	8,241,707	338,991	304,943	90%
2025	865,440	10,177,782	9,312,342	8,422,119	344,557	311,618	90%
2026	865,440	10,330,449	9,465,009	8,514,129	350,205	315,023	90%
2027	865,440	10,485,406	9,619,966	8,699,990	355,939	321,900	90%
2028	865,440	10,642,687	9,777,247	8,794,778	361,758	325,407	90%
2029	865,440	10,802,327	9,936,887	8,986,252	367,665	332,491	90%
2030	865,440	10,964,362	10,098,922	9,083,903	373,660	336,104	90%
2031	865,440	11,128,828	10,263,388	9,281,159	379,745	343,403	90%
2032	865,440	11,295,760	10,430,320	9,381,760	385,922	347,125	90%
2033	865,440	11,465,197	10,599,757	9,584,973	392,191	354,644	90%
2034	865,440	11,637,174	10,771,734	9,688,612	398,554	358,479	90%
2035	865,440	11,811,732	10,946,292	9,897,962	405,013	366,225	90%
2036	865,440	11,988,908	11,123,468	10,004,730	411,568	370,175	90%

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 month later.

Projected Available TIF Revenues and Expenditures
 Assessment Years 2019-2036 (Paid and Collected in
 FY2020/21 to FY2037/38)



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.

Appendix “C”
Economic Development and Redevelopment Activities
Carpenter Urban Renewal Plan

Merge Urban Development - Mixed Use Building in one square block area encompassed by University Avenue, Carpenter Avenue, 24th Street, and 25th Street

Construction of approximately \$25.5 million, 108,000 square foot mixed use project, located along Carpenter Avenue between 24th and 25th Street. The development will consist of approximately 9800 square feet of commercial space; and approximately 120 dwelling units. An additional phase is expected along University Avenue, which will redevelop the square block, bounded by University Avenue, Carpenter Avenue, 24th Street and 25th Street. Additional phases will require amendments to the Urban Renewal Plan.

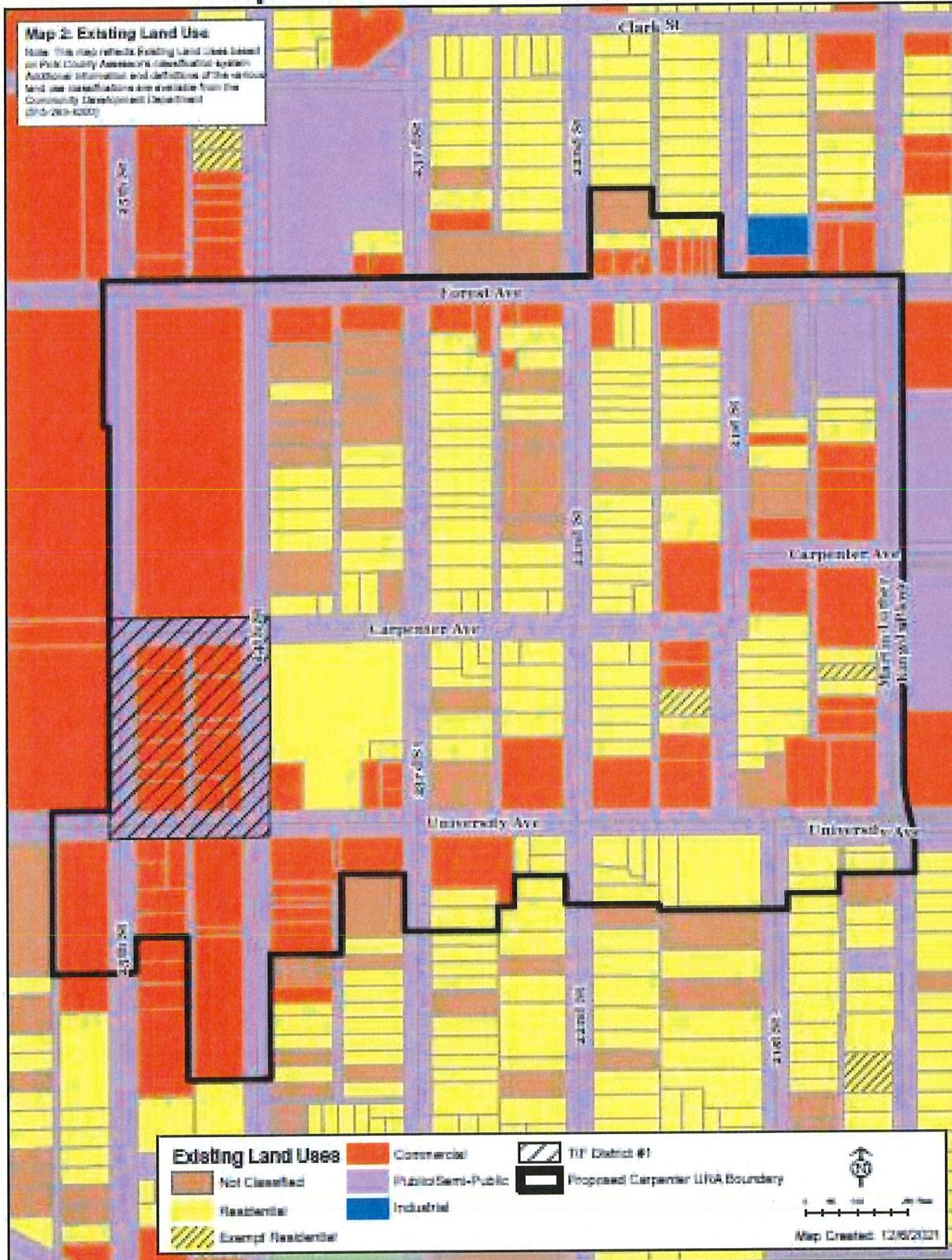
In consideration of Developer’s obligation to construct said improvements, an economic development grant is to be paid to property owner by City as each Phase is completed, payable in thirty (30) semi-annual installments, payable each November 1 and April 1. See table below for level of project-generated TIF.

Development projects

Project	%
Mixed use building – Phase 1 108,000 gross square feet: 9800 sq ft commercial; 120 dwelling units	90% project-generated TIF

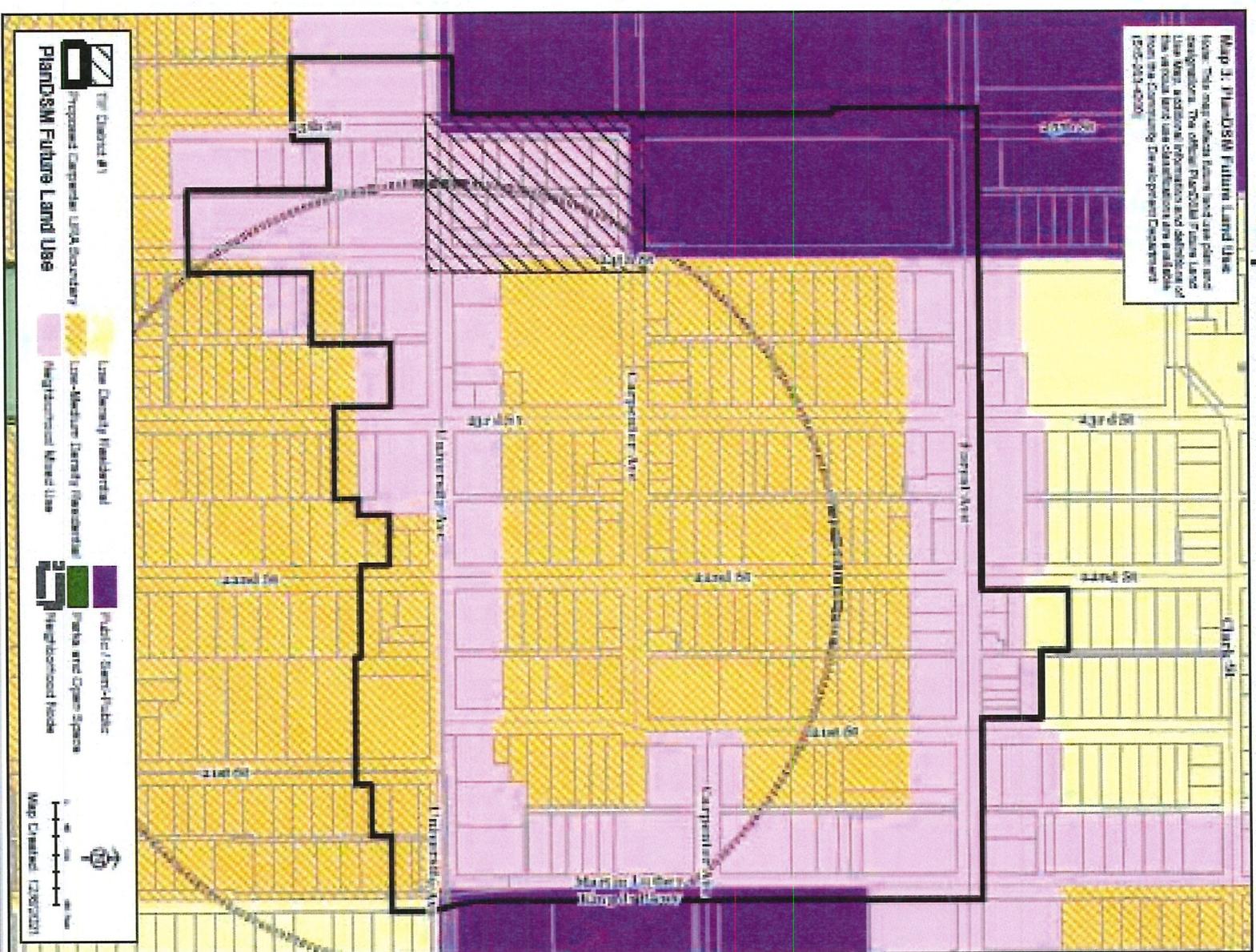
Map 1 – Existing Land Uses

Carpenter Urban Renewal Area



Map 2 - Plan DSM Future Land Use Map

Carpenter Urban Renewal Area



Carpenter Urban Renewal Plan

January 20, 2022
Plan and Zoning Commission



What Is an Urban Renewal Plan?

Document that provides a long-term plan, goals, etc. for a specific geographical area:

- Map of the area
- Legal description of the area
- Plan objectives
- Relationship to Comprehensive Plan
- Description of each urban renewal project

One of the major economic development tools cities have

Purpose of Urban Renewal Plans

Iowa law allows municipalities to establish Urban Renewal Areas to finance various activities (through a TIF District):

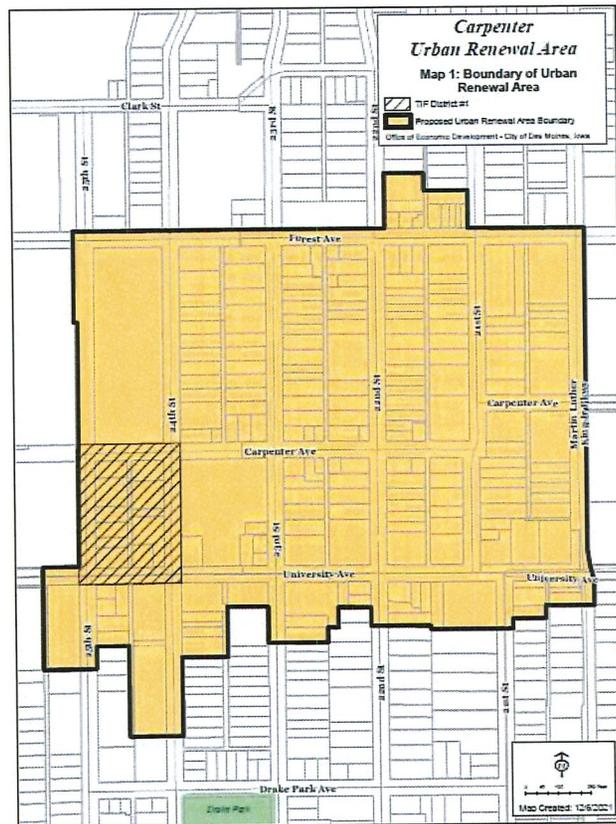
- Provide for public improvements
- Encourage and assist economic investment
- Retain and grow employment
- Reduce slum and blight
- Rehabilitation and revitalization

Iowa Code: Chapter 403.5.2.a

“Prior to its approval of an urban renewal plan, the local governing body shall submit such plan to the planning commission of the municipality, if any, for review and recommendations as to its conformity with the general plan for the development of the municipality as a whole.”

Carpenter Urban Renewal Plan

Map



● Location

- Northeast of University/25th Street
- Between Forest Avenue, MLK Parkway, University Avenue, and 25th St – additional parcels north of Forest and south of University

● Size

- 77.82 acres

● Purpose

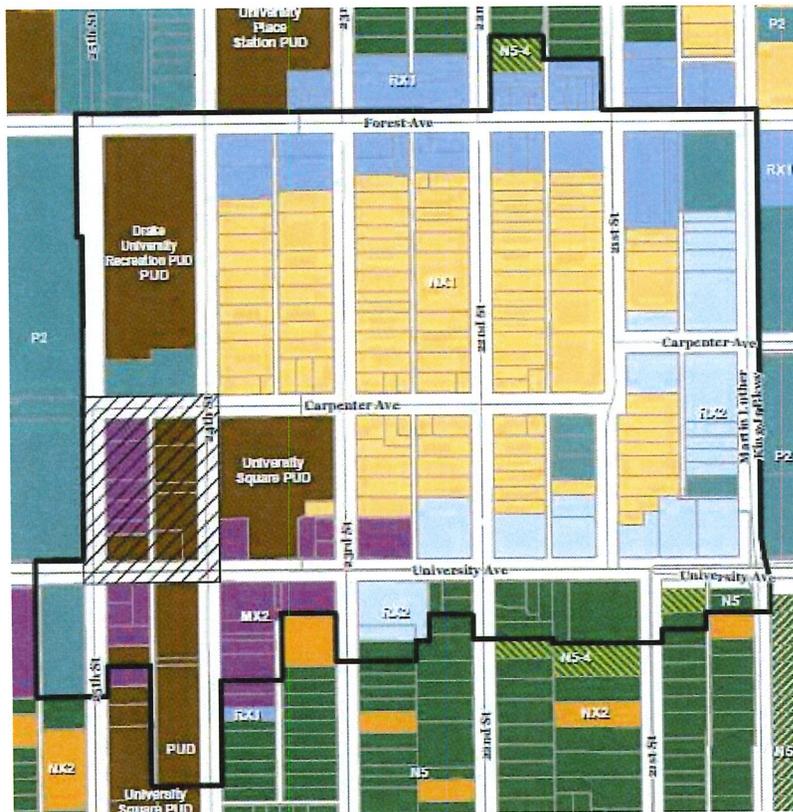
- Encourage the removal of and redevelopment of blighted, obsolete, and underutilized property
- Facilitate the development and re-development of commercial, mixed use and residential uses
- Create and retain jobs in the City of Des Moines
- Provide a diversity of housing options
- Activate new economic investment

Plan Objectives

- Provide an attractive and appealing physical environment for residents to improve the livability of the Urban Renewal Area.
- Increase the retail and commercial offerings in the Area for students, faculty, and neighbors to help facilitate year-round activism of the Drake neighborhood and campus.
- Encourage and facilitate high quality redevelopment of commercial and multi-family uses and the associated employment opportunities within the Plan Area.
- 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.
- Encourage the incorporation of long-term sustainability into site development and building construction, particularly the efficient use of energy in heating, ventilation and cooling system design.

Carpenter Urban Renewal Plan

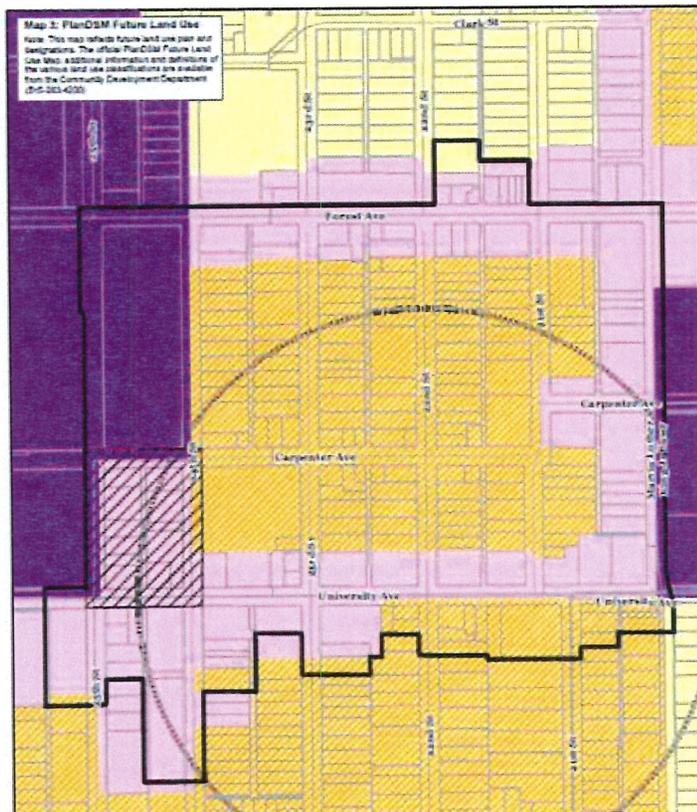
Existing Zoning



- MX2, mixed-use, regional-scale nodes and corridor
- N5, neighborhood residential
- N5-4, neighborhood residential, allows 4 households/lot
- NX1, mix of single- and smaller-scaled multiple-household uses
- RX1, transitional areas between MX and N for corridors adjacent to low-scale neighborhoods
- RX2, transitional areas between MX and N, at an intensity higher than RX1
- P2, civic and institutional facilities
- PUD, Planned Unit Development

Carpenter Urban Renewal Plan

Plan DSM Future Land Use (Comprehensive Plan)



-  Low Density Residential
-  Low-Medium Density Residential
-  Neighborhood Mixed Use
-  Public/Semi-Public

Description of Urban Renewal Projects

Appendix "C"
Economic Development and Redevelopment Activities
Carpenter Urban Renewal Plan

Merge Urban Development - Mixed Use Building in one square block area encompassed by University Avenue, Carpenter Avenue, 24th Street, and 25th Street

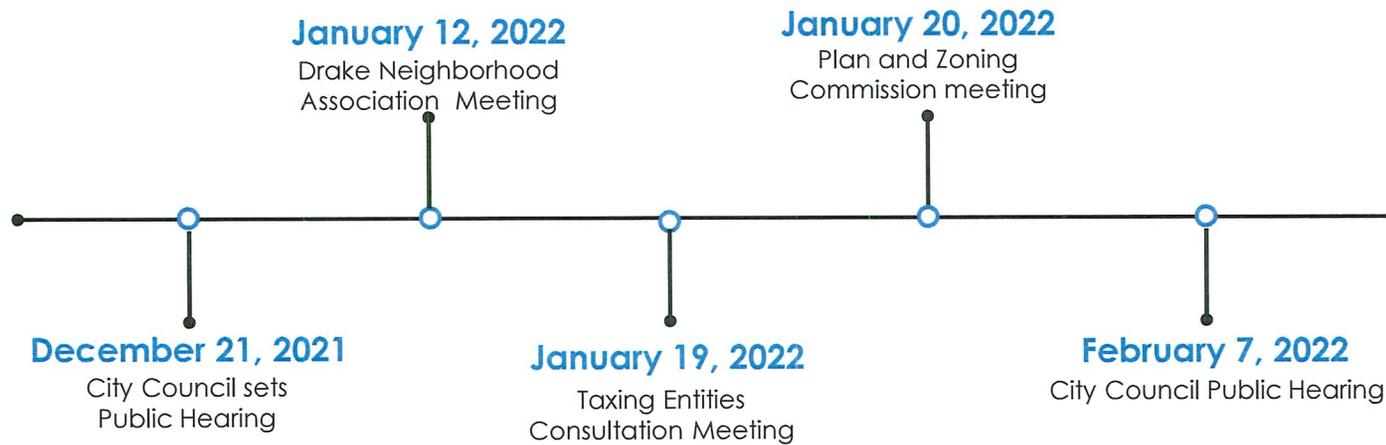
Construction of approximately \$25.5 million, 108,000 square foot mixed use project, located along Carpenter Avenue between 24th and 25th Street. The development will consist of approximately 9800 square feet of commercial space; and approximately 120 dwelling units. An additional phase is expected along University Avenue, which will redevelop the square block, bounded by University Avenue, Carpenter Avenue, 24th Street and 25th Street. Additional phases will require amendments to the Urban Renewal Plan.

In consideration of Developer's obligation to construct said improvements, an economic development grant is to be paid to property owner by City as each Phase is completed, payable in thirty (30) semi-annual installments, payable each November 1 and April 1. See table below for level of project-generated TIF.

Development projects

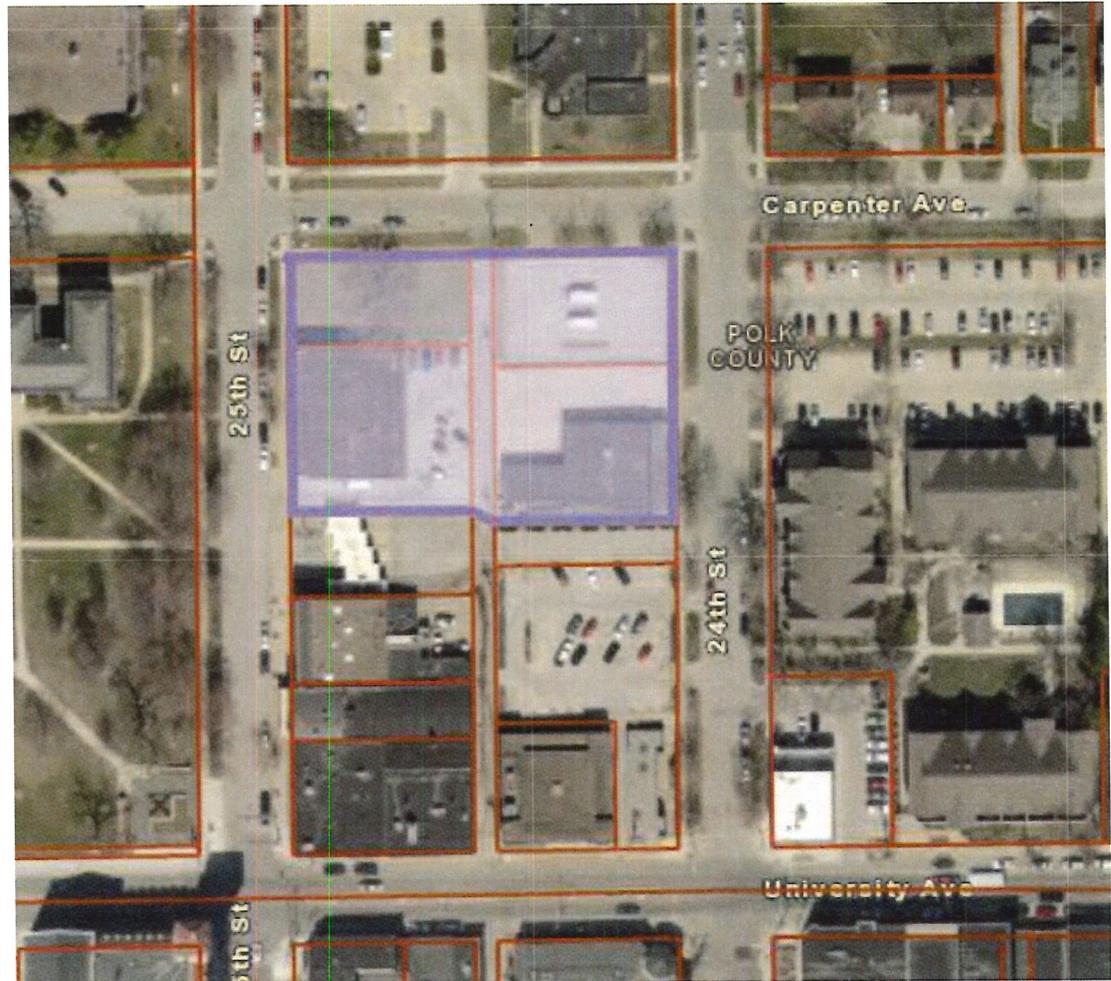
Project	%
Mixed use building – Phase 1 108,000 gross square feet: 9800 sq ft commercial; 120 dwelling units	90% <u>project-generated</u> TIF

Urban Renewal Plan Timeline



Development Project Summary

- Redevelopment of the 2.65-acre block, bounded by 24th, 25th, University and Carpenter.
- The entire block consists of 11 parcels, 2 of which are owned by US Bank; one is owned by Varsity Cinema. The balance of the block is owned by Drake University. Drake intends to sell to Merge Urban Development, who will develop the property in two phases. Phase 1 will be the northern half of the block.



Development Project Summary

- 5-story, 100,000 square foot mixed use building (yellow)
- Project cost is estimated at \$22 million
- Construction to begin in Fall 2022, with completion expected in Spring 2024.



Development Project Summary

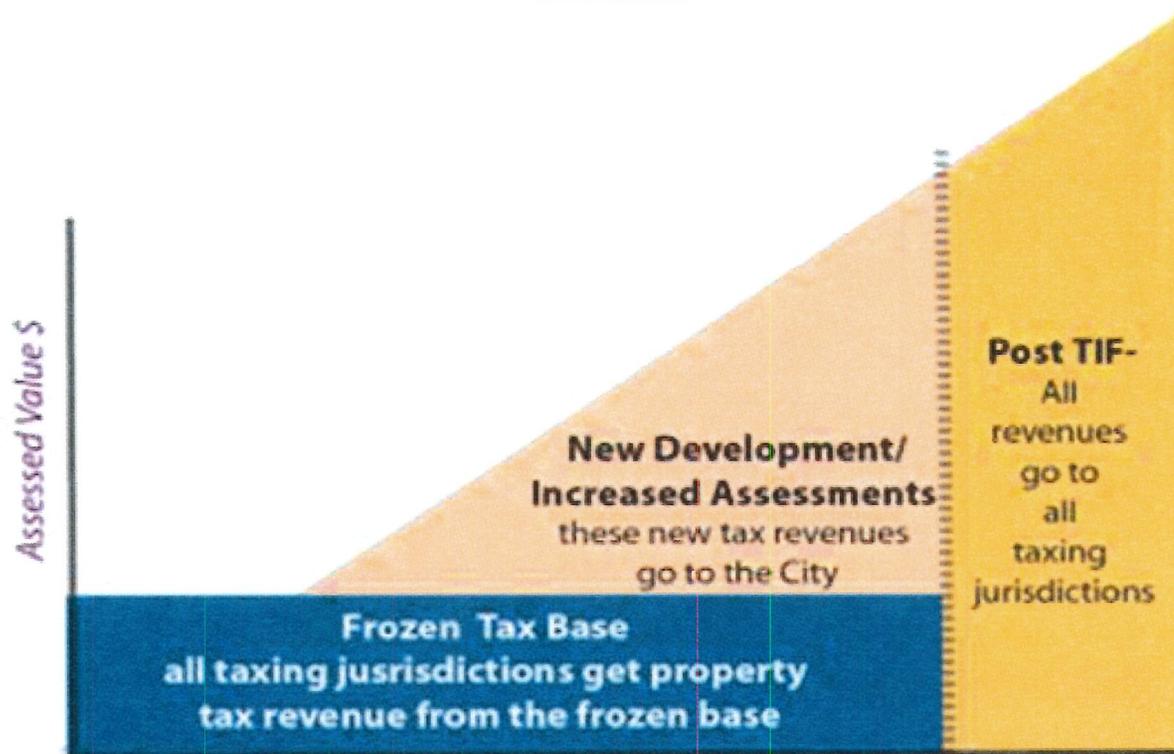
- 116 residential units; 11,200 square feet of commercial space along Carpenter
- Dwelling units will be available in five different sizes:
 - Studios: ~ 400 sq ft ~\$850
 - Studio plus: ~450 sq ft ~\$900
 - 1-bedrooms: ~550 sq ft ~\$1050
 - 1 bedroom plus: ~650 sq ft ~\$1150
 - 2-bedrooms: ~900 sq ft ~\$1300
- 20% of residential units will be an affordable rate of 10% at 80% area median income (AMI) and 10% at 65% AMI
- 4 EV charging stations
- Rooftop solar arrays





QUESTIONS?

How TIF works



Financial Projection

Year	Estimated Taxes Received Without Project*	Estimated Taxes Received with Project*	Estimated Incentive Paid	Estimated Net Taxes Received
Sum 10 Years	\$0 (Drake-owned)	\$4,838,603	\$3,200,924	\$1,637,679
Sum 20 Years	\$0 (Drake-owned)	\$10,753,432	\$5,069,527	\$5,683,905
Sum 30 Years	\$0 (Drake-owned)	\$17,945,322	\$5,069,527	\$12,875,795

*Taxes include all property taxing authorities (not just City property taxes).

*Taxes received estimates used the following assumptions: 2.5% growth in re-assessment years; 1.5% growth in other years.

Archived: Thursday, January 20, 2022 10:54:21 AM

From: [Drost, Bert A.](#)

Sent: Wed, 19 Jan 2022 14:33:44

To: [Dunn-Young, Frank A.](#), [Delp, Michael R.](#), [Tarpey, Nicholas O.](#), [Miller, Cameron R.](#), [Chakraborty, Sreyoshi](#)

Subject: FW: P&Z meeting January 20 -- sorry, I will be out of town.

Importance: Normal

Sensitivity: None

Please include the email below in the P&Z presentations for Items 4 (Frank), 6 (Michael), 7 (Nick), 8 (Sreyoshi), and 18 (Cam). Thanks!

From: Carol Maher <cmaher4523@sbcglobal.net>

Sent: Tuesday, January 18, 2022 1:12 PM

To: Drost, Bert A. <BADrost@dmgov.org>

Cc: Mandelbaum, Josh T. <JoshMandelbaum@dmgov.org>; P&Z Commissioner Johnny Alcivar <johnny.alcivar@gmail.com>

Subject: P&Z meeting January 20-- sorry, I will be out of town.

CAUTION: This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Hello Bert:

I'm sorry to miss the first Plan and Zoning commission meeting 2022. Lots of exciting agenda items to cover. I will be out of town.

Unfortunately, I haven't had the time to ride by these projects to prep for the meeting, nor read the detailed plans as I normally like to, but I have spent a couple of hours reviewing the posted documents and have the following observations. Sharing with Commission Alcivar and Councilmember Mandelbaum as well.

#4. 7404 SW 37th Street.

Certainly a disappointment whenever we go backwards on bicycle infrastructure, especially in an area where it is so devoid now. It really seems shortsighted to make this concession and allow for owner to forego 10' bike path.

#6. Uhaul on 63rd.

The bike rack shown in the illustration are not the desired type as per city requirements (I don't think). I don't see type 2 request to forego adding sidewalk along 63rd street, so I hope they are doing this, as it was discussed previously when an accommodation was made for the liquor store.

#7. Broadlawns at Drake.

Really hate to see us forego density, especially in a desirable neighborhood. Would have been nice to make this building mixed use and put two floors of housing above the clinic. I realize the second building will be three stories to address the look and feel that three story zoning requires, but requiring more stories also goes to density, and with the city so housing-starved its a shame to give it away when a new development is going in.

Is there any way we can get architects to show the bike rack requirements in their parking analysis and summary? It just makes it so much easier to see if they are accommodating for bike parking vs. having to dig and dig. Not that I don't like reading all this stuff, but I am pressed for time for this meeting.

#8. Carpenter Urban Renewal Plan.

It's taken me awhile, but I'm starting to figure out how things work here. I really think the city is doing its residents an injustice by not presenting these developments, zoning changes, Urban Renewal/TIF requests, in one package. P&Z and the City Council recently approved the zoning change for this parcel at 25th and University. High fives all around, especially at the Council, where comments were made about how great it is to get valuable parcels back on the tax rolls. Now what? The city wants to throw that

project into a TIF (based on blight, which means forever and ever), so that the taxing bodies won't realize the gains from this project — and we all pay more, and schools, etc., suffer. What I'm expecting next is that the developer will request relief from landscaping requirements, while the city funds a (large) portion of the project with TIF funds. (See Genesis Health Club as prime example, with tax payers footing half the bill and the developer getting political approval to forego landscaping/storm water requirements.)

I really hope I'm wrong on what I'm seeing here, but I've had no luck with getting city staff to address my questions re: TIF or tax abatement. My concern is that as more and more of the city becomes a TIF, and the state is looking to reduce/eliminate income taxes, cities/counties will need to increase property taxes to fund services and the increases will fall disproportionately on residential property owners. I've experienced this where I lived previously and it's a vicious cycle. Presenting these projects with all of their parts (zoning relief, TIF funding, tax abatement, Type 2 requests, etc.) allows for decision makers to understand the entire picture when making decisions vs. approving the first one, not knowing what requests may be following and then being in a bind to approve the rest.

#18. Take Five Car Wash.

Doesn't look like they are providing bike parking. Why would a car wash need bike parking? Employees.

Thanks for all of your hard work to support Des Moines. You do an amazing job. I might be back at the February 3 meeting, depending upon the state of the pandemic.

Peace.

Carol
