★ Roll Call Number

Agenda Item Number
44

Date November 17, 2025

RESOLUTION HOLDING PUBLIC HEARING ON THE PROPOSED FIFTH AMENDMENT TO THE URBAN RENEWAL PLAN FOR THE OAK PARK-HIGHLAND PARK URBAN RENEWAL AREA

WHEREAS, on June 8, 2020, by Roll Call No. 20-0949, the City Council approved the Oak Park-Highland Park Urban Renewal Plan (the "Urban Renewal Plan") for the Oak Park-Highland Park Urban Renewal Area, consisting of approximately 57 acres and 115 properties, and generally located along Euclid Avenue between 6th Avenue and Cambridge Street and along 6th Avenue from Ovid Avenue to Seneca Avenue; and,

WHEREAS, the Urban Renewal Plan seeks to encourage and assist with the redevelopment and/or removal of blighted, obsolete, and underutilized properties, to facilitate the development and re-development of commercial, mixed use and residential uses, to create and retain jobs in the City of Des Moines, and to provide a diversity of housing options, all within the proposed Oak Park-Highland Park Urban Renewal Area, and to guide the development of said urban renewal area and to activate new economic investment leading to increased taxable valuations, through provision of economic development assistance that will be provided in part with tax increment financing revenues to be generated in the urban renewal area; and,

WHEREAS, the City Council desires to consider a proposed Fifth Amendment to the Urban Renewal Plan to amend the Urban Renewal Area to:

- Amend and update Appendix B - *Financial Condition Report* to reflect the new projects' projected assessments and incentives.
- Amend Appendix C – *Approved Economic Development and Redevelopment Projects and Activities* to approve the provision of financial assistance from tax increment revenues in the Oak Park – Highland Park Urban Renewal Area for the following projects:
    - Amended and Restated Urban Renewal Development Agreement with 36 on 6th, L.L.C.
    - Highland Parks Flats LLC / 3608-3610 5th Avenue, new construction of a new 8,350-square-foot building consisting of not less than twelve (12) residential units (Final terms); and,

Date November 17, 2025

WHEREAS, a copy of the proposed Fifth Amendment is on file and available for public inspection in the office of the City Clerk; and,

WHEREAS, the Urban Design Review Board reviewed the proposed Fifth Amendment at its regular meeting on November 4, 2025, and voted 7-0 recommending approval of the Fifth Amendment; and,

WHEREAS, on October 20, 2025, by Roll Call No. 25-1403, the City Council resolved that a public hearing be held on November 17, 2025, at 5:00 p.m.; and,

WHEREAS, notice was given by ordinary mail to the Des Moines Independent School District, Polk County, Des Moines Area Community College, and Des Moines Area Regional Transit Authority of a consultation meeting on the proposed Fifth Amendment held on October 30, 2025; and,

WHEREAS, the City has received no requests from the Des Moines Independent School District, Polk County, Des Moines Area Community College, or Des Moines Area Regional Transit Authority for any modification to the division of tax increment revenues proposed by the Fifth Amendment; and,

WHEREAS, notice of this public hearing was published in the Des Moines Register on November 5, 2025, in accordance with Section 403.5(3) of the Iowa Code.

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 Fifth Amendment to the Urban Renewal Plan for the Oak Park-Highland Park Urban Renewal Area is hereby closed.

2. The Urban Renewal Plan for the Oak Park-Highland Park Urban Renewal Area is hereby amended as set forth in the Fifth Amendment, on file in the office of the City Clerk. The Urban Renewal Plan for the Oak Park-Highland Park Urban Renewal Area, as amended by the Fifth Amendment, is hereafter in full force and effect.

3. The City Clerk is directed to cause the Fifth Amendment and a certified copy of this resolution to be recorded in the land records of the Polk County Recorder.

4. The City Clerk is directed to submit a copy of the Fifth Amendment to the Finance Department to determine whether disclosure or filing is required for Electronic Municipal Market Access.

★ **Roll Call Number**

Agenda Item Number
44

Date November 17, 2025

(Council Communication No. 25-432)

MOVED by ____________________ to adopt. SECOND by ____________________.

FORM APPROVED:
/s/ *Gary D. Goudelock Jr.*
Gary D. Goudelock Jr.
Assistant City Attorney

COUNCIL ACTION	YEAS	NAYS	PASS	ABSENT
BOESEN				
SIMONSON				
VOSS				
COLEMAN				
WESTERGAARD				
MANDELBAUM				
GATTO				
TOTAL				

MOTION CARRIED APPROVED

______________________________ Mayor

CERTIFICATE

I, LAURA BAUMGARTNER, 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

Prepared by:	Katie Hernandez, Office of Economic Development, 602 Robert D. Ray Drive, Des Moines, IA 50309 Phone: 515-283-4016
Return Address:	City Clerk – City Hall, 400 Robert D. Ray Drive, Des Moines, IA 50309
Taxpayer:	No change
Title of Document:	Fifth Amendment to the Oak Park – Highland Park Urban Renewal Plan
Grantor/Grantee:	City of Des Moines, Iowa

Fifth Amendment

to the

Urban Renewal Plan

for the

Oak Park – Highland Park Urban Renewal Area

Taxing Entities Consultation:	*10/30/2025*
Urban Design Review Board Action:	*11/04/2025*
City Council Approval:	*11/17/2025*

HISTORY

The Oak Park – Highland Park Urban Renewal Area contains approximately 58 acres extending east and west along Euclid Avenue frontage generally between the 600 block just to the east of 6th Avenue and extending east to Cambridge Street. The boundary extends north and south along 6th Avenue generally from Ovid Avenue to the south and to Seneca Avenue to the north. The boundary also includes the Park Fair Mall property and surrounding properties mostly designated as community mixed use in close proximity to the Park Fair Mall.

The Oak Park – Highland Park Urban Renewal Plan (the "Plan") was adopted on June 8, 2020, by Roll Call No. 20-0949. The Plan and prior amendments thereto have been recorded in the land records of the Polk County Recorder as follows:

Amendment	*Roll Call No.*	*Adopted Date*	*Recorded Book*	*Beginning at Page*
Urban Renewal Plan	20-0949	06-08-2020	17,914	282
1st Amendment	21-0567	04-05-2021	18,483	228
2nd Amendment	22-1753	11-07-2022	19,326	56
3rd Amendment	23-1717	12-04-2023	19,674	652
4th Amendment	25-0607	04-21-2025	20,118	634

PURPOSE

The purpose of this Fifth Amendment to the Oak Park – Highland Park Urban Renewal Plan is to:

- Amend and update Appendix B - *Financial Condition Report* to reflect the new projects' projected assessments and incentives.

- Amend Appendix C – *Approved Economic Development and Redevelopment Projects and Activities* to approve the provision of financial assistance from tax increment revenues in the Oak Park – Highland Park Urban Renewal Area for the following projects:
    - Amended and Restated Urban Renewal Development Agreement with 36 on 6th, L.L.C.
    - Highland Parks Flats LLC / 3608-3610 5th Avenue, new construction of a new 8,350-square-foot building consisting of not less than twelve (12) residential units (Final terms)
- Small Business Impact Loan Program

AMENDMENT

1. **Replace Appendix B – Financial Condition Report**

   The Oak Park – Highland Park Urban Renewal Plan is hereby amended by replacing Appendix B, *Financial Condition Report,* with the attached Appendix B, *Financial Condition Report (5th Amendment).*

2. **Replace Appendix C – Approved Economic Development and Redevelopment Projects and Activities**

   The Oak Park – Highland Park Urban Renewal Plan is hereby amended by replacing Appendix C, *Approved Economic Development and Redevelopment Projects and Activities (5th Amendment).*

Appendix B
Financial Condition Report – Oak Park - Highland Park Urban Renewal Area

(Shading indicates new text added by the 5th Amendment)

The City has, by Ordinance No. 15,998, 15,999, and 16,000, passed April 5, 2021, designated portions of the Oak Park - Highland Park Urban Renewal Area identified on Map 1 and more specifically described in Appendix A, as individual urban renewal sub-areas to be called Oak Park – Highland Park TIF District No. 1, Oak Park – Highland Park TIF District No. 2, Oak Park – Highland Park TIF District No. 4, Oak Park – Highland Park TIF District No. 5, and Oak Park – Highland Park TIF District No. 6 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 are or an economic development area as those terms are defined in Iowa Code §403.17. The Oak Park - Highland Park Urban Renewal Plan Area was designated by the City as an urban renewal area upon a finding by the City Council that the area qualified as a slum and blighted area and 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 Oak Park - Highland Park Urban Renewal Area on June 8, 2020, by Roll Call No. 20-0949. 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, 2025 the City of Des Moines has about $557 million in general obligation debt. Of this debt, approximately $195 million is being serviced with tax increment revenues from specific urban renewal areas. The Oak Park – Highland Park Urban Renewal Area is not currently funding any of the outstanding general obligation debt. The State of Iowa Constitutional debt-ceiling limit for general debt obligations by the City of Des Moines is approximately $964.8 million.

Future Financial Condition

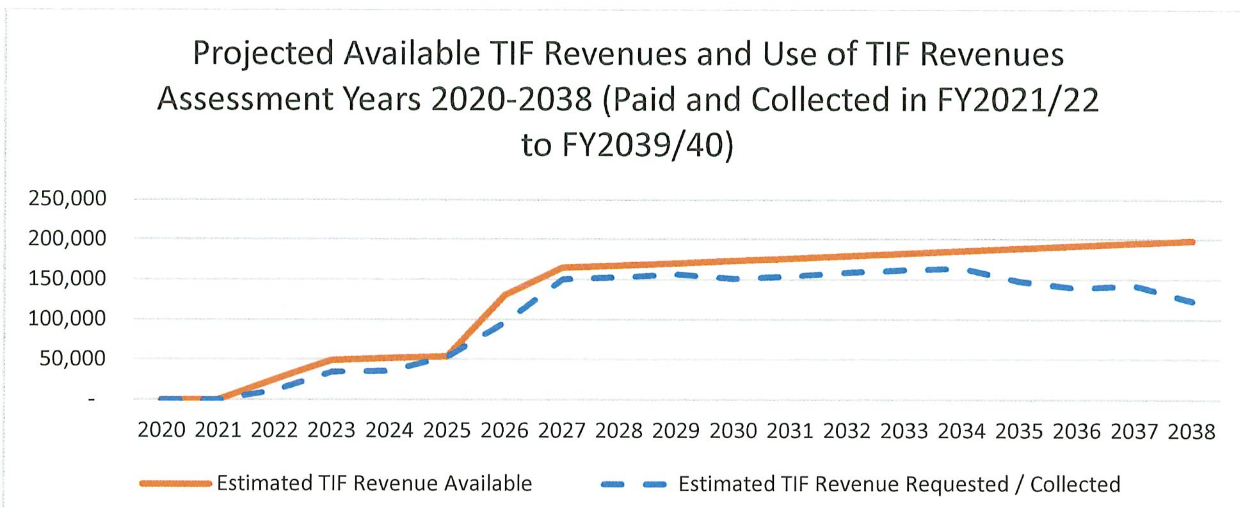
Shown below is a table that projects estimated property tax revenues and expenditures from the Oak Park - Highland Park TIF District No. 1, 2, 4, 5 and 6. In this Financial Condition Report, the estimated property tax revenues are based on a property tax levy rate of $37.78851 / $1,000. This levy rate 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 assessments 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 months later.

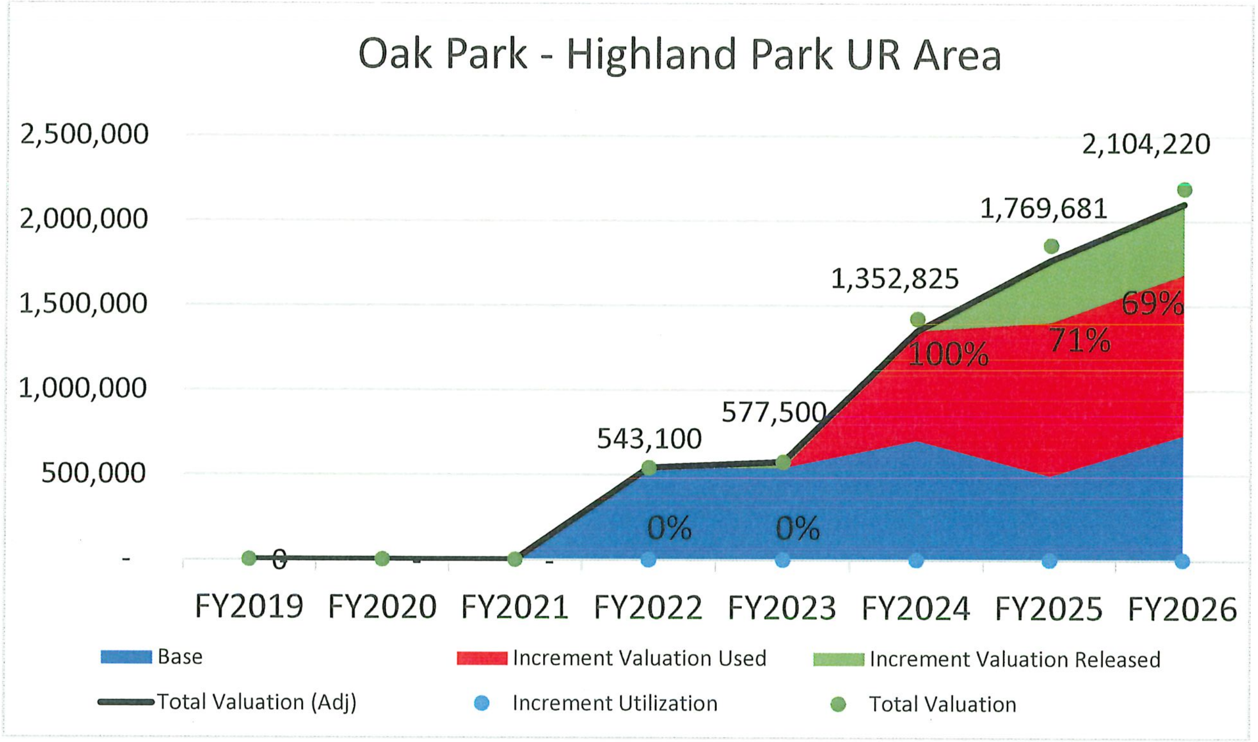
The following table and graphic represent new information formulated for this Plan.

Assessment Year	Base Valuation (A)	Total Assessed Valuation Before Rollbacks (B)	Maximum TIF Valuation Available = (B) - (A)	Estimated TIF Valuation Used	Estimated TIF Revenue Available	Estimated TIF Revenue Requested / Collected	Percent of Available TIF Used
2020	543,100	543,100	-	-	-	-	0%
2021	543,100	577,500	34,400	-	-	-	0%
2022	705,620	1,352,825	647,205	647,205	25,042	11,273	100%
2023	496,420	1,769,681	1,273,261	906,844	49,142	34,560	71%
2024	735,420	2,104,220	1,368,800	950,000	51,725	35,899	69%
2025	735,420	2,156,826	1,421,406	1,421,406	53,713	53,713	100%
2026	735,420	4,189,178	3,453,758	2,565,313	130,512	96,939	74%
2027	735,420	5,092,016	4,356,596	3,975,555	164,629	150,230	91%
2028	735,420	5,168,396	4,432,976	4,058,569	167,516	153,367	92%
2029	735,420	5,245,922	4,510,502	4,152,106	170,445	156,902	92%
2030	735,420	5,324,611	4,589,191	4,001,504	173,419	151,211	87%
2031	735,420	5,404,480	4,669,060	4,089,973	176,437	154,554	88%
2032	735,420	5,485,547	4,750,127	4,208,364	179,500	159,028	89%
2033	735,420	5,567,830	4,832,410	4,300,970	182,610	162,527	89%
2034	735,420	5,651,348	4,915,928	4,348,199	185,766	164,312	88%
2035	735,420	5,736,118	5,000,698	3,920,826	188,969	148,162	78%
2036	735,420	5,822,160	5,086,740	3,699,507	192,220	139,799	73%
2037	735,420	5,909,492	5,174,072	3,780,447	195,520	142,857	73%
2038	735,420	5,998,134	5,262,714	3,275,765	198,870	123,786	62%

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



The actual disbursement of the estimated expenditures may occur at a later date than is shown in this table, subject to the progress of the individual project which can be impacted by weather, construction delays and other factors. Future projects are subject to the urban renewal amendment process with individual review of each amendment and projects by the City Council and other authorities as directed by the Code of Iowa.



Oak Park - Highland Park								
Valuations	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026
Base	-	-	-	543,100	543,100	705,620	496,420	735,420
Increment Valuation Used	-	-	-	-	-	647,205	906,844	950,000
Increment Valuation Released	-	-	-	-	34,400	-	366,417	418,800
Total Increment Available	-	-	-	-	34,400	647,205	1,273,261	1,368,800
Total Valuation (Adj)	-	-	-	543,100	577,500	1,352,825	1,769,681	2,104,220
Total Valuation				543,100	577,500	1,423,520	1,859,060	2,193,880
Increment Utilization	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	0%	100%	71%	69%

Appendix C
Approved Economic Development and Redevelopment Projects and Activities (5th Amendment)

The following alphabetical listing provides a summary of Economic Development and Redevelopment Projects approved by the Des Moines City Council for receipt of tax increment funding.

(Shading indicates new projects added by the 5th Amendment or existing projects to which material amendments have been made to the financial incentives provided by the 5th Amendment)

3523 6th Avenue, LLC – 3523 6th Avenue
Historic renovation of the existing 1-story, approximately 8,870-square-foot building located at 3523 6th Avenue for commercial uses in accordance with an Urban Renewal Development Agreement between the City and 3523 6th Avenue, LLC approved by the City Council on March 8, 2021 by Roll Call No. 21-0380. The Development Agreement provides for an economic development grant from the tax increment generated by the Improvements, and in lieu of commercial tax abatement, for 15 years on a declining schedule of ninety percent (90%) in years 1-5, eighty-five percent (85%) in years 6-10, and eighty percent (80%) in years 11-15.

3524 6th Avenue, LLC – 3524 6th Avenue (Terminated)
Historic renovation of an existing three-story, 11,893 square-foot building located at 3524 6th Avenue for commercial and multi-family residential uses in accordance with an Urban Renewal Development Agreement between the City and 3524 6th Avenue, LLC approved by the City Council on March 8, 2021 by Roll Call No. 21-0381. The Development Agreement provides for an economic development grant for 20 years in the amount of one-hundred percent (100%) of the project-generated tax increment from the Improvements, and in lieu of tax abatement.

This development agreement was mutually terminated on April 12, 2023, which is recorded in the land records of the Polk County Recorder in Book 19458, Page 882.

36 on 6th, LLC – 3614 6th Avenue
Historic renovation of an existing two-story building located at 3614 6th Avenue for commercial and multi-family residential uses in accordance with an Urban Renewal Development Agreement between the City and 36 on 6th, LLC approved by the City Council on August 7, 2023 by Roll Call No. 23-1147. The First Amended and Restated Urban Renewal Development Agreement, which is intended to amend and replace the original Urban Renewal Development Agreement, was approved by City Council on May 19, 2025, by Roll Call No. 25-0753. The Development Agreement provides for an economic development grant for 20 years in the amount of ninety-five percent (95%) of the project-generated tax increment from the Improvements, and in lieu of tax abatement.

FW Rehab, LLC – 3610 6th Avenue

Renovation of the existing 2-story, approximately 11,400-square-foot building located at 3610 6th Avenue into a mixed-use residential and commercial development in accordance with an Urban Renewal Development Agreement between the City and FW Rehab, LLC approved by the City Council on January 25, 2021 by Roll Call No. 21-0109. The Development Agreement provides for an economic development grant from the tax increment generated by the Improvements on a declining scale over a 15-year period as follows:

- Tax increment financing (TIF) for the multi-household residential portion of the Improvements: Ninety percent (90%) in years one through five; eighty percent (80%) in years six through ten; fifty percent (50%) in years 11 and 12; and twenty-five percent (25%) in years 13-15; and
- Tax increment financing (TIF) for the commercial portion of the Improvements: Ninety percent (90%) in years one and two; eighty percent (80%) in years three and four; seventy-five percent (75%) in years five and six; sixty-five percent (65%) in years seven and eight; fifty-five percent (55%) in years nine and ten; sixty percent (60%) in year 11; fifty percent (50%) in year 12; forty percent (40%) in year 13; thirty percent (30%) in year 14; and twenty-five percent (25%) in year 15.

Euclid Foresight, LLC – 413 Euclid Avenue

Historic renovation of the existing 18,000-square-foot building at 413 Euclid Avenue for a mixed-use building, including commercial and multi-family residential uses, in accordance with an Urban Renewal Development Agreement between the City and Euclid Foresight, LLC approved by the City Council on June 13, 2022 by Roll Call No. 22-0965. The Development Agreement provides for an economic development grant from the tax increment generated by the Improvements, and in lieu of tax abatement, for 20 years on a declining schedule as follows:

- Years 1-5: ninety percent (90%)
- Years 6-10: eighty-five percent (85%)
- Years 11-15: eighty percent (80%)
- Year 16: seventy percent (70%)
- Year 17: sixty percent (60%)
- Year 18: fifty percent (50%)
- Year 19: forty percent (40%)
- Year 20: thirty percent (30%)

Highland Park Flats, LLC – 3608-3610 5th Avenue

Development of twelve (12) new residential units at 3608-3610 5th Avenue (currently a vacant parcel), in accordance with an Urban Renewal Development Agreement between the City and Highland Park Flats LLC approved by City Council on May 19, 2025 by Roll Call No. 25-0752. The Development Agreement provides for an economic development grant from the tax increment generated by the Improvements, in lieu of tax abatement, for sixteen (16) years on a declining schedule as follows:

Years 1-5: ninety-five percent (95%) of Project TIF
Years 6-10: eighty-five percent (85%) of Project TIF
Years 11-15: eighty percent (80%) of Project TIF
Year 16: seventy percent (70%) of Project TIF

Highland Park SSMID
Allocation of the proportionate share of the tax increment revenues attributable to the annual Self-Supported Municipal Improvement District Operation Tax levy on properties in the Highland Park SSMID to the Highland Park SSMID fund.