

**CITY COUNCIL
COMMUNICATION:**

ITEM _____

**OFFICE OF THE CITY MANAGER
CITY OF DES MOINES, IOWA**

99-263

SYNOPSIS -

AGENDA:

JUNE 7, 1999

Change to the Urban Revitalization Plan to allow improvements to residentially assessed property on existing parcels, not served by the public sewer system, to qualify for tax abatement if certain criteria are satisfied.

SUBJECT:

AMENDMENT TO
URBAN
REVITALIZATION
PLAN, TAX
ABATEMENT FOR
HOMES WITH
PRIVATE SEWAGE
SYSTEMS

FISCAL IMPACT -

Tax abatement of future residential developments.

RECOMMENDATION -

Approve setting date of hearing.

TYPE:

RESOLUTION
ORDINANCE
RECEIVE/FILE

BACKGROUND -

The annexation of a portion of the southeast corner of Des Moines, known as the Southeast Annexation Area, was approved by an election held on November 8, 1988. Upon the effective date of the annexation on July 1, 1989, only a portion of this annexation area, north of Payton, was provided with the benefit of residential tax abatement. This was based on the City's plan to provide infrastructure and encourage development in the northern part of the annexation area. As a result, trunk sewers were planned and are now built and development is underway along Easter Lake Drive.

SUBMITTED BY:

JAMES GRANT
COMMUNITY
DEVELOPMENT
DIRECTOR

Subsequently, the Three Lakes Estates development proposal was submitted on the south of Army Post Road, outside of where tax abatement was provided. This development was possible, even though it was not consistent with the City's development plan, because the regional sewer bisects the ground and the densities complied with the original intent of development in the Southeast Annexation Area. The City

Council was supportive of the Three Lakes Estates development and directed staff to amend the Urban Revitalization Plan to provide for tax abatement in this area. On June 16, 1997, the City Council approved the 21st amendment to the Citywide Urban Revitalization Plan which provided for residential tax abatement for the remainder of the Southeast Annexation Area.

The purpose of the 1987 annexation was to provide for future growth and development of the City. That development was intended to be at urban densities with the full complement of City services. It was not the intention to encourage the subdivision of land for "rural estate" residential developments served with septic systems. Such development not only can represent an inefficient use of land, but it also can hinder the efficient extension of public infrastructure. Therefore, a requirement for eligibility for tax abatement was added to the 21st Amendment that requires a home to be on City sewer to receive the benefit of tax abatement.

During the last couple of years the City has experienced development on existing parcels that are larger than one acre and not served by a public sewer system. These developments are not necessarily consistent with the City's Comprehensive Plan; however, these projects do comply with existing zoning and development has moved forward.

It is recommended the Citywide Urban Revitalization Plan be amended to provide a tax abatement benefit for residential developments complying with the following conditions:

- I. If public sewer is not available within 100 feet of the boundaries of the parcel intended to be developed.
- II. The improvement is assessed as residential property.
- III. The parcel of land upon which the improvement is made was created prior to July 1, 1999, and not thereafter reduced in size.
- IV. The owners of the property must enter into an agreement to connect to the public sewer system when it becomes available, and waive the right to protest the assessment for such sewer.

If a development complies with the above conditions, then the use of a private sewage disposal system may be utilized and tax

abatement may be granted if:

1. The lot is two acres or less in size; or
2. The City Council has by resolution made a determination that the improvement will not jeopardize future development and improvements in the vicinity considering the following factors:
 - (a) The location of the improvement on the lot must allow for the future development to urban densities;
 - (b) The location of the improvement must not interfere with the logical extension of streets, water, sewer, and other public infrastructure to serve future development in the vicinity; and
 - (c) The improvement is reasonably accessible by emergency vehicles. Any private bridge or culvert used for such access must be of the width and load bearing capacity sufficient to carry a fire truck and other emergency vehicles.