

6/c

Date July 14, 2008

RESOLUTION CLOSING HEARING ON THE PROPOSED
MERLE HAY COMMERCIAL AREA URBAN RENEWAL PLAN
AND ADOPTING SAME

WHEREAS, the proposed Merle Hay Commercial Area Urban Renewal Area contains approximately 110 acres that are used or zoned for commercial purposes along Douglas Avenue from about 54th Street westward to the municipal boundary with the City of Urbandale, and along Merle Hay Road from a point slightly north of Ovid Avenue to Aurora Avenue; and,

WHEREAS, the City Manager has prepared an urban renewal plan (the "proposed Plan") which seeks to enhance private redevelopment of this commercial urban renewal area by providing economic development assistance through the use of tax increment financing revenues to be generated in the proposed urban renewal area, which is titled *Merle Hay Commercial Area Urban Renewal Plan* and is attached hereto as Exhibit "A"; and,

WHEREAS, on May 19, 2008, by Roll Call No. 08-874, the City Council resolved that a public hearing on the proposed Plan be held on June 23, 2008, in the City Council Chambers; and,

WHEREAS, the Urban Design Renewal Board reviewed the proposed Plan at its meeting on June 17, 2008, and voted unanimously in support of a motion to recommend that the proposed Plan be approved; and,

WHEREAS, the City Plan and Zoning Commission reviewed the proposed Plan for conformity with the adopted Des Moines 2020 Community Character Plan, as revised, for the development of the City as a whole, at its meeting on June 19, 2008, and made recommendations which were received and filed under a separate resolution; and,

WHEREAS, notice of this public hearing in the form attached hereto as Exhibit "B" was published in the Des Moines Register on June 12, 2008, which notice sets forth the information required by Section 403.5(3) of the Iowa Code; and,

WHEREAS, notice was given by ordinary mail to the Des Moines Public School District, Des Moines Area Community College, and Polk County of a consultation meeting in the Naucalpan Conference Room, at City Hall, at 1:30 p.m. on June 4, 2008; and,

WHEREAS, the City has received no requests from the Des Moines Public School District, Des Moines Area Community College, or Polk County for any modification of the proposed division of revenue from the tax increment of the Merle Hay Commercial Area Urban Renewal Project Area; and,

(continued)

61c

Date July 14, 2008

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WHEREAS, on June 23, 2008, by Roll Call No. 08-1126, the City Council continued the public hearing the proposed Plan until July 14, 2008, at 5:00 p.m., to permit the City Council and public to give a more through consideration of the matter in light of the temporary evacuation of City Hall and the relocation of the hearing on that date to temporary facilities in the Central Library Building; and,

WHEREAS, the public hearing has now been reopened and all persons or organizations desiring to be heard regarding the proposed 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 *Merle Hay Commercial Area Urban Renewal Plan* is hereby closed.

2. 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 proposed Plan conforms to the Des Moines 2020 Community Character Plan, as amended, for the development of the City as a whole.
- b) There are no dwellings within the Urban Renewal Project Area and no families will be displaced as a result of the redevelopment of such Area.
- c) The Plan does not provide for the acquisition of any land by the City.

3. The *Merle Hay Commercial Area Urban Renewal Plan* is hereby approved and adopted, and shall hereafter be in full force and effect.

4. The City Clerk is hereby authorized and directed to file a certified copy of the Plan and of this Resolution in the office of the Polk County Recorder.

(continued)

★ Roll Call Number

Agenda Item Number

6/c

Date July 14, 2008

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(Council Communication No. 08- 397)

MOVED by _____ to adopt.

FORM APPROVED:

Roger K. Brown

Roger K. Brown
Assistant City Attorney

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Exhibits:

"A" - Urban Renewal Plan

"B" - Notice of Hearing

COUNCIL ACTION	YEAS	NAYS	PASS	ABSENT
COWNIE				
COLEMAN				
HENSLEY				
KIERNAN				
MAHAFFEY				
MEYER				
VLASSIS				
TOTAL				

MOTION CARRIED

APPROVED

.....
Mayor

CERTIFICATE

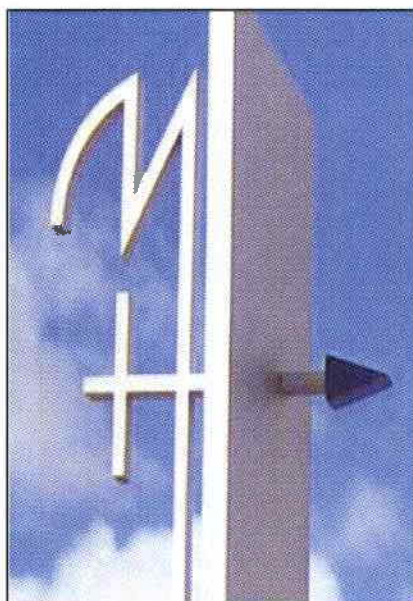
I, DIANE RAUH, City Clerk of said City hereby certify that at a meeting of the City Council of said City of Des Moines, held on the above date, among other proceedings the above was adopted.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my seal the day and year first above written.

City Clerk

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Prepared by: Andrea Hauer, 400 Robert D. Ray Drive, Des Moines, IA 50309, 515/237-1350
 Return Address: City Clerk, City Hall, 400 Robert D. Ray Drive, Des Moines, IA 50309
 Taxpayer: NA
 Title of Document: Merle Hay Commercial Area
 Urban Renewal Grantor's Name: N/A
 Grantee's Name: N/A
 Legal Description: See Exhibit "A", Page 14



Merle Hay Mall logo



Commercial developments on Merle Hay Road and Douglas Avenue

Merle Hay Commercial Area Urban Renewal Plan Des Moines, Iowa

Adopted: July , 2008
Roll Call No. 08-

Urban Design Review:	6/17/08
Plan & Zoning Commission Review:	6/19/08
Tax Increment Consultation Meeting:	6/5/08

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I. PROJECT DESCRIPTION

The purpose of the Merle Hay Commercial Area Urban Renewal Plan is to enhance private development within this urban renewal area through provision of infrastructure improvements and economic development financial assistance that is provided, in part, with the tax increment revenues generated in the urban renewal area.

A. Background

In 1890, when the area around Merle Hay Road and Douglas Avenue was incorporated into the City of Des Moines, it was located on the far northwest edge of the City Des Moines. People visited this area as a rural retreat, accessible from the nearby Douglas Ave. or Urbandale streetcar lines, for those escaping to the country for the day. In 2008, this area still represents the far northwest edge of Des Moines. It has been thoroughly developed for commercial uses in the previous decades and now no longer represents the pre-eminent shopping area in the metro area; people now bypass this area to go to other newer shopping centers.

In 1917, an adjacent city – Urbandale (population 300) – was incorporated. Part of its eastern boundary was decided by a court-decree that included land west of 62nd St., fronting the north side of Douglas Ave., in Urbandale; this land had previously been part of the City of Des Moines.



*St. Gabriel Monastery at NW corner of Merle Hay Rd. and Douglas Ave.
(undated photo)*

With the increased use of the automobile to travel between cities and residential growth along the streetcar lines, the two major roadways in the area – Douglas Ave. and Merle Hay Road – were designated highways in the 1920s by the Iowa Highway Commission.

The largest building in the area was St. Gabriel Monastery, built in 1921 on the NW corner of Merle Hay Road and Douglas Avenue

Residential Growth

After the end of World War II, major changes began in the area with residential subdivisions of “starter” (affordable) homes with mortgages financed by the GI Bill. A typical house in the new subdivision was a single floor home, under 1,000 square feet, with no garage but a paved driveway, placed on a larger lot to allow for expansion of the home at a later date.

The new residents depended on cars to get to work, shopping and other activities which led to widening of trafficways such as Merle Hay Road and Douglas Ave. Some homes were built fronting on Merle Hay Road; today, with these roadways widened and commercial areas expanding, those homes have disappeared, with small commercial developments occurring on these shallow-depth lots for commercial redevelopment. Homes continue to abut commercial development on the “back sides” of the commercial developments today.

Many original residents remain in their homes which has contributed to the neighborhood dynamic of an older, stable neighborhood that is on the verge of “cycling” to new residents. The successful transition of the neighborhood is dependent on the adjacent commercial area being physically and functionally attractive; equally, retaining the Merle Hay commercial area as a successful retail/commercial services location will assist in making the adjoining neighborhood areas a desirable place to live. This urban renewal plan will contribute in providing guidance and financial assistance to revitalize the adjacent Merle Hay commercial area.

Commercial Growth

In 1954, the federal government proposed the location of the new interstate roadway system in Iowa. This new modern four lane interstate road, which combined I-80 and I-35 for its route on the northern edge of the Des Moines metropolitan area, had an interchange about 1½ miles north of the intersection of Douglas Ave. and Merle Hay Road. By 1959, the Merle Hay Road interchange of I-80/I35 opened with additional segments of I-80 and I-35 rapidly opening in the following years.

In 1956, the monastery and its extensive grounds were sold to Chicago-based developers Joseph Abbell and Bernard Greenbaum; the monastery was demolished in 1958. Abbell, in a 1994 interview, stated the developers chose Des Moines because of the city's "reputation as a model urban area in middle America."



Merle Hay Mall advertisement with picture of Merle Hay

With the site's superb auto access, a new large strip mall to be known as the Northland Shopping Center was planned; the center was almost immediately renamed for Merle Hay, the first Iowan killed in World War I and namesake of the road in front of the center.

Before construction began in early 1958, the strip mall was redesigned as an open-air plaza with two department stores and four buildings around an outdoor commons area.

Merle Hay Plaza opened on August 17, 1959. It was one of six malls opening in the United States that year. It had 31 stores including Younkers Department Store (now closed) as the anchor store and a bowling alley (still in operation today).



Merle Hay Plaza postcard circa 1960

Sears, a second anchor store, opened in 1959 with a move from its downtown store. Other early tenants included a Safeway supermarket, S. S. Kresge department store, Bishop's Buffet and Walgreens drug store. A movie theater and six story office building were added in 1965.

Merle Hay Plaza was the largest shopping center in Iowa and quickly became the major retail destination that attracted state-wide customers. It significantly impacted downtown Des Moines with many stores relocating to this regional shopping center¹.

With its superb auto access, the area soon had some of the highest traffic counts in the state which further attracted auto-oriented retailers to the area. The connection to Interstate 80/35, about 1½ miles north of the center's entrance, solidified the auto accessibility of this mall and its commercial corridor to the metro and region.

The surrounding area also quickly grew with retailers cashing in Merle Hay Plaza's success with the construction of stand-alone stores in the 1960s and strip malls in the 1970s. These buildings were typically single story, larger linear buildings with parking in front of and on the sides of the structure, often without sidewalks.

In the early 1970s, several major changes occurred on the shopping center's property. In 1972/3, Merle Hay Plaza was enclosed and renamed "Merle Hay Mall." In 1974, Merle Hay Mall made a major westward expansion with the purchase of abutting property that crossed into the City of Urbandale; this expansion with two anchor stores -- Montgomery Ward (which moved from downtown) and Younkers Store for Homes -- that doubled the mall to over 1.1 million square feet.

In 1979, a 300+ car parking ramp was constructed between several anchor stores to provide covered spaces. By this time, there were over 6,000 parking spaces surrounding Merle Hay Mall.

The area's commercial success continued into the 1980s. Several "big box" stores developed north of Merle Hay Mall. However, competition from other local commercial areas, including a new metro-area mall -- Valley West Mall with one anchor and 20 smaller stores opened in West Des Moines with direct access from I-235 -- began to diminish the uniqueness of Merle Hay Mall.

By the 1990s, newer Des Moines metro commercial centers and malls in other parts of the state noticeably eroded the trade area of Merle Hay Mall and its surrounding commercial corridor. Merle Hay Mall underwent a number of changes in this time period ranging from tenants leaving or relocating within the mall and numerous interior improvements. The "big box" stores underwent changes with the original tenants moving to newer, more suburban locations.

In the new century, changes in the metro retail landscape have accelerated. With the growth of suburbs, especially on the north and western edges, a considerable amount of new retail space has been added to the overall inventory which has contributed to the shrinkage of the Merle Hay area customer base.

¹ Des Moines native Bill Bryson commented that Merle Hay Mall's opening changed Des Moines in his memoir *The Life and Times of the Thunderbolt Kid*: "My father never shopped anywhere else after that [the mall] opened." Neither did many other people; by the late 1960s, it was common to go to the mall to shop and 'hang out' rather than going downtown.

