



**Roll Call Number**

**Agenda Item Number**

24

**Date** September 28, 2015

RESOLUTION SCHEDULING HEARING ON THE ADOPTION OF AN  
URBAN RENEWAL PLAN FOR THE  
NORTHEAST GATEWAY REVITALIZATION URBAN RENEWAL AREA

WHEREAS, on January 26, 2015, by Roll Call No. 15-2015, the City Council authorized and directed the City Manager to prepare an urban renewal plan and related information and documents to assist in the redevelopment of an area in the vicinity of E. 14th and Euclid Avenue then proposed to be designated as the Eastgate Urban Renewal Area; and,

WHEREAS, the City Manager prepared an urban renewal plan titled Eastgate Urban Renewal Plan for a proposed urban renewal area area which extended west to E. 8th Street, north to E. Madison Avenue, east to E. Dixon Street and south to Hull Avenue, and the City Council scheduled a public hearing to consider that plan; and,

WHEREAS, as a result of the information received through the neighborhood meetings and public review of the proposed Eastgate Urban Renewal Plan, the proposed urban renewal plan has been renamed the Northeast Gateway Revitalization Urban Renewal Plan, and the urban renewal area has been expanded to extend west to E. 7th Street, north to NE 52nd Avenue, east to Interstate 235, and south to Hull Avenue, all as more specifically described in the proposed Northeast Gateway Revitalization Urban Renewal Plan which is on file and available for public inspection in the office of the City Clerk; and,

WHEREAS, the Urban Design Renewal Board reviewed the proposed urban renewal plan as expanded, but under the original name, at its meeting on July 21, 2015, and recommended approval of the plan; and,

WHEREAS, the City Plan and Zoning Commission reviewed the proposed urban renewal plan as expanded, but under the original name, for conformity with the adopted comprehensive plan for the development of the City as a whole, being the Des Moines 2020 Community Character Plan, as revised, at its meeting on July 16, 2015, and passed a motion recommending that the urban renewal plan be found in conformance with the comprehensive plan; and,

WHEREAS, the expansion of the urban renewal area and the inclusion of unincorporated land to extend the urban renewal area north of Interstate 35/80 requires that a new consultation meeting be scheduled with the other affected taxing jurisdictions, that new notice be given of the City Council hearing on the plan, and that the City obtain Polk County's consent to the inclusion of the unincorporated land within the interstate right-of-way.

NOW THEREFORE, BE IT RESOLVED, by the City Council of the City of Des Moines, Iowa, as follows:

( continued )



**Roll Call Number**

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24

**Date** September 28, 2015

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1. A public hearing shall be held before the City Council to consider the proposed Urban Renewal Plan for the Northeast Gateway Revitalization Urban Renewal Area at 5:00 p.m. on October 26, 2015.
2. The City Clerk is authorized and directed to publish notice of said public hearing in the form attached hereto as Exhibit "B" in the Des Moines Register on October 8, 2015, in accordance with Iowa Code Sections 362.3 and 403.5(3).
3. The City Manager or his designee is hereby designated as the City's representative to the consultation proceedings with the Des Moines Independent School District, Polk County and the Des Moines Area Community College. The consultation meeting shall be held prior to the date of public hearing at a time and location to be determined by the City Manager in accordance with Iowa Code Section 403.5(2). The City Manager shall cause notice of the consultation meeting, a copy of the Notice of Public Hearing (Exhibit "B"), and a copy of the proposed urban renewal plan to be mailed to each such affected taxing entity.
4. The City Manager or his designee is hereby designated as the City's representative to seek consent from the Polk County Board of Supervisors to the inclusion of unincorporated Interstate 35/80 right-of-way within the urban renewal area.

( Council Communication No. 15- **525** )

MOVED by \_\_\_\_\_ to adopt.

FORM APPROVED:

*Roger K Brown*

Roger K. Brown, Assistant City Attorney

COUNCIL ACTION	YEAS	NAYS	PASS	ABSENT
COWNIE				
COLEMAN				
GATTO				
GRAY				
HENSLEY				
MAHAFFEY				
MOORE				
TOTAL				
MOTION CARRIED	APPROVED			

**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.

\_\_\_\_\_ Mayor

\_\_\_\_\_ City Clerk

Date September 28, 2015

24



August 19, 2015

Honorable Mayor and City Council  
City of Des Moines, Iowa

Members:

Communication from the City Plan and Zoning Commission advising that at their meeting held July 16, 2015, the following action was taken regarding a City initiated request for a determination as to whether the proposed Urban Renewal/Tax Increment Finance (TIF) Plan for the Eastgate Urban Renewal Area is in conformance with the Des Moines 2020 Community Character Plan Comprehensive Plan.

**COMMISSION RECOMMENDATION:**

After public hearing, the members voted 10-0 as follows:

Commission Action:	Yes	Nays	Pass	Absent
Dory Briles				X
JoAnne Corigliano	X			X
Jacqueline Easley				
Tim Fitzgerald	X			
Jann Freed	X			
John "Jack" Hilmes	X			
Greg Jones	X			
Sasha Kamper	X			X
Brian Millard				
William Page	X			X
Jonathan Rosenbloom				
Mike Simonson	X			
CJ Stephens	X			
Greg Wattier	X			

**APPROVAL** of the requested proposal of Eastgate Area Urban Renewal Plan in conformance with the Des Moines' 2020 Community Character Plan.

**STAFF RECOMMENDATION TO THE P&Z COMMISSION**

Staff recommends that the Commission find the proposed Eastgate Area Urban Renewal Plan in conformance with the Des Moines' 2020 Community Character Plan.

## **STAFF REPORT TO THE PLANNING COMMISSION**

### **I. APPLICABLE INFORMATION**

Included in the Commission packet is a draft of the Eastgate Area Urban Renewal Plan, Financial Conditions Report and Planning Directors Report. The area includes properties generally between East Aurora Avenue, Dixon Street, Hull Avenue, and East 8<sup>th</sup> Street. On June 22, 2015, the City Council referred the draft Urban Renewal Plan to the Plan and Zoning Commission requesting a determination as to whether it is in conformance with the Des Moines' 2020 Community Character Plan.

Significant opportunities to revitalize economic viability and promote future private investment exist in the Eastgate Urban Renewal Area. This is an area that has served as a stable regional commercial area in the past, but has opportunity for revitalization and redevelopment. There is an ability to capture additional private investment for the benefit of the City of Des Moines. The creation of an Urban Renewal/TIF Plan is recommended to assist with public improvements, facilitate economic development, and create a future resource to assist development projects in this area.

The draft plan amendment does not propose any revision to the future land use or zoning for the subject Urban Renewal Area. Any subsequent proposal to make amendment to future land use or zoning within the area pursuant to a revised Urban Renewal Plan will be reviewed by the Plan and Zoning Commission.

### **II. ADDITIONAL INFORMATION**

The Office of Economic Development has worked with other City departments over the last several months to evaluate the Eastgate Area as a proposed urban renewal area/TIF District. This evaluation of the Eastgate Urban Renewal Area and proposed plan will continue through the required review processes for the development of an urban renewal plan, and conclude with presenting the final draft to City Council at the public hearing proposed for July 27. These processes include review by City boards and commissions, and area taxing entities including Polk County, the Des Moines Public School District, and Des Moines Area Community College. In addition to these entities, neighborhood organizations will have an opportunity to review the proposed plan area and provide input.

The proposed area includes approximately 482 acres in northeastern Des Moines, with an estimated current total assessed valuation of \$66,583,000. The analysis of the proposed area began with the former Eastgate Plaza Shopping Center at East 14th Street and East Euclid Avenue, which has been a priority redevelopment site for the City for a number of years. In particular, residents and business owners within northeastern Des Moines have looked forward to the additional retail and commercial service options that have been contemplated for the site since the late 1990's. The former Eastgate Plaza Shopping Center has seen improvements and new taxable valuation added, but the emergence of regional retail hubs in Ankeny and Altoona has influenced Eastgate's ability to capture as strong of a share of retail services as was originally hoped.

Through the analysis, staff recognized the importance of proposing that the area be enlarged to acknowledge challenging conditions that are impeding economic development investment in a larger area around the Eastgate Plaza. Some of these conditions include vacant buildings and sites, commercial/industrial buildings that may no longer be

competitive spaces for current market needs, and the need for providing better pedestrian connectivity between current and future commercial services at or near the former Eastgate Plaza Shopping Center, and the current neighborhood residents to the south, including the growing population at Grand View University.

Additional tools must be considered to assist the full Eastgate area to realize its opportunities for economic viability and further private investment.

The creation of an urban renewal and TIF plan is recommended to assist in facilitating economic development, addressing the need for revitalization and the elimination of blight, and creating a future resource to assist with public improvement projects in this area. Public improvements would typically include sanitary sewer, street and stormwater infrastructure, streetscape improvements, green infrastructure and sidewalk and trail amenities. Private improvements would typically include the construction of utilities and recreational amenities, and new buildings and facilities for commercial and residential use, generating new taxable valuation and jobs for the community.

### **SUMMARY OF DISCUSSION**

Greg Jones asked if anyone was present to speak on this item. None were present or requested to speak.

Will Page asked if the name Eastgate has to be in the description. He believes Eastgate is a failed name and suggests changing the name to something that is inviting and attractive.

Rita Conners stated that she will take the Commissioner's suggestion under consideration.

Will Page suggested possibly changing the name to Northeast Place.

*Sasha Kamper joined the meeting @ 6:06*

JoAnne Corigliano expressed a similar concern about the name but her biggest concern is the issue of the water runoff control and water control whether or not the issue will remain the same. She hopes the water runoff control has been remedied. However, if not she believes the same problems will exist.

### **COMMISSION ACTION:**

CJ Stephens moved staff recommendation for approval of the proposed Eastgate Area Urban Renewal Plan in conformance with the Des Moines' 2020 Community Character Plan. (Jacqueline Easley had not joined the meeting at the time of the vote)

Motion passed 10-0.

Respectfully submitted,

  
Erik Lundy, AICP  
Senior Planner

EML:clw  
Attachment

# **NORTHEAST GATEWAY REVITALIZATION URBAN RENEWAL PLAN**

**an Urban Renewal Plan for the  
Northeast Gateway Revitalization Urban  
Renewal Area**

**City of Des Moines, Iowa**

Prepared by the Office of Economic Development  
June 2015

Urban Design Review Board Action  
Plan & Zoning Commission Action  
City Council Action  
Taxing Entities Consultation Meeting

July 21, 2015  
July 16, 2015  
August \_\_\_\_, 2015  
\_\_\_\_\_, 2015

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## A. INTRODUCTION

### 1.) Description of the Northeast Gateway Revitalization Urban Renewal Area

The Northeast Gateway Revitalization Urban Renewal Area contains approximately 1084.44 acres, and is generally located between NE 52<sup>nd</sup> Street and NE 7<sup>th</sup> Street in the NW section, Aurora Avenue and I-235 in the NE section, Hull Avenue and I-235 in the SE section, and Hull Avenue and East 8th Street in the SW section as shown on Map 1, "Plan Boundary", and as more specifically described in Attachment A.

### 2.) Purpose of this Plan

This Urban Renewal Plan (this "Plan") is intended to guide the development of and stimulate private economic investment activities within the Northeast Gateway Revitalization Urban Renewal Area (the "Area") through the 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. This Plan is also intended to respond to the conditions of blight in the Area.

The location of the Area in northeast Des Moines, adjacent to two major arterial streets (E. 14<sup>th</sup> Street and E. Euclid Avenue) and its proximity to the interstate system provide opportunities for high visibility and new investment. The age and condition of certain real estate in the Area, as well as blighted vacant buildings and sites, prompts the need for revitalization. The City of Des Moines believes that the designation of the Area as an urban renewal area and the adoption and implementation of this Plan has the potential to strengthen and revitalize the local economy through:

- A. Providing for planned and unified development of high quality commercial, industrial, mixed use and residential uses and the physical and economic enhancement of the Area.
- B. Creation of a safe and attractive physical environment through the construction and installation of necessary infrastructure and other public improvements or projects supportive of the Area.
- C. Retention and creation of quality permanent employment opportunities for residents.
- D. Expansion of the property tax base of the Area, and subsequently contributing to the economic betterment of the entire City of Des Moines.
- E. Creation of financial incentives as necessary to encourage new and existing businesses to invest and expand in the Area.

### 3.) 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.

A municipality may determine that a proposed urban renewal area is an economic development area if the area is appropriate for development or redevelopment with commercial and industrial enterprises. A municipality may make a determination that a proposed urban renewal area is a blighted area if the area contains a substantial number of slum, deteriorated, or deteriorating structures; defective or inadequate street layout; faulty lot layout in relation to size, adequacy, accessibility or usefulness; insanitary or unsafe conditions; deterioration of site or other improvements; diversity of ownership, tax or special assessment delinquency exceeding the fair value of the land; defective or unusual conditions of title; or the existence of conditions which endanger life or property by fire and other causes; or any combination of these factors, substantially impairs or arrests the sound growth of the municipality, retards the provision of housing accommodations, or constitutes an economic or social liability and is a menace to the public health, safety, or welfare in its present condition and use.

For the reasons set forth below the proposed Northeast Gateway Revitalization Urban Renewal Area qualifies for designation as an urban renewal area on the basis that each portion of the Area is a blighted area, an economic development area appropriate for development or redevelopment with commercial and industrial enterprises, or both.

## **B. BACKGROUND INFORMATION**

### 1. General Information

The Northeast Gateway Revitalization Urban Renewal Area is comprised of a combination of elements that have built out over decades. Along E. 14<sup>th</sup> Street and E. Euclid Avenue, there are commercial and industrial buildings and vacant sites, with buildings that were constructed in the 1950's. South of E. Madison and west of Dixon Street there are industrial buildings that have experienced a varied level of rehabilitation and new investment; some are not seen as competitive for today's business operations. The former Eastgate Shopping Center at the northeast corner of E. 14<sup>th</sup> Street and E. Euclid Avenue has struggled to attract new investment since the former buildings were demolished over a decade ago. Regional retail competitiveness and limited trade share area has restricted this site from rising to the attention of the market. Scattered throughout the corridors are vacant lots and buildings and partially improved sites. Grand View University is located south of Hull Avenue at the southern end of the Area, and has significantly expanded its campus over the last decade, introducing an increased population seeking services in the Area.

The Area's location provides optimum visibility and transportation connectivity. E. 14<sup>th</sup> Street carries an estimated 17,000 vehicles per day, serving as a corridor where commuters exit the interstate system and travel south into the Des Moines Central Business District. East Euclid Avenue carries an estimated 13,900 vehicles per day. Though the Area does provide some commercial services to northeast Des Moines neighborhoods, such as convenience stores, banks, auto sales and services, and restaurants, many service and employment needs are met in neighboring suburbs such as Ankeny, where large scale retail centers, businesses, restaurants and specialty stores are located.

This Plan is anticipated to provide an ability to acknowledge and work with the variety of conditions, existing uses and opportunities in the Area, providing a unity of purpose to create a thriving and cohesive area.

## 2.) Current Land Use

The Northeast Gateway Revitalization Urban Renewal Area includes commercial, general industrial, multifamily residential, single family residential, and publicly owned uses. These uses are detailed in Map 2.

## 3.) Proposed Land Use

The City of Des Moines **2020 Community Character Plan** shows the land as a combination of low density residential, medium density residential, small scale strip development, community commercial, industrial, and public/semi-public use. Map #3 further details the proposed land uses for the area. In conjunction with this urban renewal plan, additional planning activities will be undertaken to refine the projected land uses for this area as appropriate.

This Plan does not contemplate any specific amendments to the Des Moines 2020 Community Character Plan, or to the Official Zoning Map. Possible amendments to the Des Moines 2020 Community Character Plan and the Official Zoning Map may be identified through the ongoing planning process for the implementation of this Plan.

## 4.) Appropriateness for Economic Development

E. 14<sup>th</sup> Street, E. Euclid Avenue and the proximity to the interstate system provide high visibility and traffic counts that are conducive to commercial and industrial economic development activity. The Metropolitan Planning Organization's plan, known as *Mobilizing Tomorrow*, outlines a long-range transportation strategy for the year 2050 and a framework of how the MPO's member communities will invest approximately \$600 million in transportation funding over the next 35 years with an emphasis on balancing growth to the east and north of the Des Moines metro area. Development of commercial and industrial businesses and services in the Northeast Gateway Revitalization Urban Renewal Area is in accordance with this planning vision. The

vacant parcels along the E. 14<sup>th</sup> Street and E. Euclid Avenue corridors offer potential opportunities for assembly and redevelopment, and the large tract of land in the former Eastgate Plaza site offers opportunities for new development. For all these reasons the Area is eligible for designation as an urban renewal economic development area appropriate for commercial and industrial enterprises.

#### 5.) Recognition of Blight Conditions

The area qualifies as a blighted area due to existing conditions including vacant buildings and sites, buildings assessed at below normal and poor condition, warehouse building identified as economically obsolete, homeless camps, numerous buildings that are 50 years old or more, underutilized parcels, parcels that are not adequately sized for development without assemblage with other land, dilapidated buildings and buildings valued at less than the properties they are constructed on. All of these conditions have the impact of pulling down the economic viability of the Area, and create a need for revitalization.

### C. URBAN RENEWAL PLAN ELEMENTS

#### 1. Goals and Objectives

The primary goal for the Northeast Gateway Revitalization Urban Renewal Plan is to guide the redevelopment of the Northeast Gateway Revitalization Urban Renewal Area, setting objectives that will provide an ability for the Area to benefit from previous investments in public infrastructure and transportation systems, increase the tax base and provide employment opportunities. Objectives for this Plan include:

- A. Encourage and facilitate high quality commercial, industrial, mixed use and residential development within the Area.
- B. Coordination of resources to attract new quality economic development investment
- C. Promote key public infrastructure projects in coordination with the private sector, Polk County, the Des Moines Wastewater Reclamation Authority, Des Moines Water Works and the Iowa Department of Transportation. These may include traffic signals at key intersections, access provision and management, and stormwater management improvements, as well as corridor beautification and signage at key nodes.
- D. Promote and coordinate additional land use and transportation system studies as warranted to ensure the ability to attract quality development and the ability to accommodate and manage traffic circulation.
- E. 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.
- F. Encourage the incorporation of long term sustainability into site development and building construction, particularly the efficient use of energy in lighting, heating, ventilation and cooling system design.

## 2. 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 Northeast Gateway Revitalization Urban Renewal Area through, among other things, the following public purpose activities:

- A. Provision of technical support in furtherance of this Plan;
- B. Evaluation of property's potential for development and redevelopment purposes, including but not limited to activities such as appraisals and architectural, engineering and environmental studies;
- C. Acquisition and disposition of property for public improvements and for private development and redevelopment;
- D. Demolition and clearance of deteriorated, obsolescent and blighting structures and other improvements;
- E. Preparation of building sites for development and redevelopment purposes through activities that include but are not limited to grading, filling and landscaping;
- F. Improvement, installation, construction and reconstruction of streets, utilities, railroad spur lines and other public improvements and rights-of-way;
- G. Enforcement of applicable local, state and federal laws, codes and regulations; and
- H. 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.

## 3. 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 2020 Community Character Plan, 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 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.

#### 4. Financial Condition Report

The urban renewal area will be concurrently designated as a tax increment district. A financial condition report is included as Attachment B. 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

### **D. URBAN RENEWAL PLAN IMPLEMENTATION**

The City of Des Moines will take necessary action to achieve the goals and objectives of the Northeast Gateway Revitalization Urban Renewal Plan. This will include involvement in the following activities:

#### 1. 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.

#### 2. 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.

#### 3. 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 abatement, 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:

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 Northeast Gateway Revitalization 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.

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. Acquisition and disposal of property for public improvements and for private development and redevelopment.
- e. The development or redevelopment of buildings or facilities within the Area to be occupied by qualifying entities;
- f. Loans or grants to qualified industries and businesses, including debt service payments on any bonds issued to finance such loans or grants, for purposes of expanding the business or activity, or other qualifying loan programs established in support of this Plan; and
- g. Providing the matching share for a variety of local, state and federal grants and loans.

#### 4. Public Improvements

This Plan will promote the extension of public utilities (sanitary sewer, water, stormwater management systems, construction and rehabilitation of streets, green infrastructure and park amenities, provision for pedestrian access and connection to sidewalks and recreation trails, and corridor beautification, including landscape and hardscape elements) in the Area, and working with landowners and developers in accordance with the Statewide Urban Design Standards and Specifications (SUDAS) on uniform construction and installation of all public improvements in furtherance of the objectives of this Plan.

#### 5. Responsibility of Developers

Developers shall work with the City to coordinate the realization of the intent of this Plan. This will include limiting exemption from taxes on the value added by the improvements where possible. It is recognized that when tax abatement is in place, it will reduce the amount of tax increment created by the Area. Therefore in certain cases it may be necessary for developers to forego tax abatement to make a project work. The City reserves the ability to negotiate what will be in the best interest of the community and the furtherance of this Plan, while working with developers to facilitate new projects.

#### 6. Activities Under Chapter 15 A

The City may as part of its action to carry out this Plan engage in economic development activities within the Northeast Gateway Revitalization Urban Renewal Area pursuant to Iowa Code Chapter 15A for the creation of new jobs and income, and for the retention of existing jobs and income that would otherwise be lost, when such economic development activities are found by the City Council to further the objectives of this Plan. The City may solicit and or package such economic development activity proposals in the form of direct financial assistance through grants or loans.

### **E. DURATION OF URBAN RENEWAL PLAN**

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

### **F. 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.

## **G. AMENDMENT OF APPROVED URBAN RENEWAL PLAN**

This Plan may be amended from time to time to respond to development opportunities. Any such amendment shall conform to the requirements of Iowa Code Chapter 403. Any change effecting any property or contractual right can be effectuated only in accordance with applicable state and local law.

No land shall be acquired by City under authority of this Plan for private redevelopment until the acquisition of such land is shown by an amendment to this Plan.

## **H. ATTACHMENTS**

- A - Legal Description for Area
- Map 1: Plan Boundary
- Map 2: Existing Land Use Map
- Map 3: Future Land Use Map
- B - Financial Condition Report

## **Attachment A - Legal Description Northeast Gateway Revitalization Urban Renewal Area**

### Proposed Northeast Gateway Revitalization Urban Renewal Plan Boundary Description:

Beginning at the intersection of the centerline of Hull Avenue and the centerline of Dixon Street; Thence West along the centerline of Hull Avenue to the centerline of York Street; Thence North along the centerline of York Street to the Easterly extension of the South line of Lot 59, Mann's 2<sup>nd</sup> Addition to Highland Park, an Official Plat; Thence West along said Easterly Extension and the South line of said Lot 59 to the Southwest corner of said Lot 59; Thence continuing West along the South line of Lots 52 through 58 of said Mann's 2<sup>nd</sup> Addition to Highland Park to the Southwest corner of said Lot 52; Thence South along the Southerly extension of West line of said Lot 52 to the centerline of Oak Park Avenue; Thence West along the centerline of Oak Park Avenue to the centerline of East 12<sup>th</sup> Street; Thence North along the centerline of East 12<sup>th</sup> Street

to the Easterly Extension of the South line of Lot 7, Timmins Subdivision, an Official Plat; Thence West along said Easterly Extension and the South line of said Lot 7 to the Southeast corner of Lot 9, Rocky Place, an Official Plat; Thence continuing West along the South line of said Lot 9 to the Southwest corner of said Lot 9; Thence North along the West line of said Lot 9 to the Easterly Extension of the South line of Lot 140, Campus Park, an Official Plat; Thence West along said Easterly Extension and South line of said Lot 140 to the Southwest corner of said Lot 140; Thence continuing West along a straight line to the Southeast corner of Lot 111 of said Campus Park; Thence West along the South line of said Lot 111 to the Southwest corner of said Lot 111; Thence North along the West line of Lots 111, 112, 113 of said Campus Park, and the Northerly extension of the West line of said Lot 113 to the centerline of East Euclid Avenue;

Thence West along the centerline of East Euclid Avenue to the centerline of East 8<sup>th</sup> Street; Thence North along the centerline of East 8<sup>th</sup> Street to the centerline of East Douglas Avenue; Thence East along the centerline of East Douglas Avenue to the centerline of East 9<sup>th</sup> Street;

Thence North along the centerline of East 9<sup>th</sup> Street to the centerline of Hoffman Avenue; Thence West along the centerline of Hoffman Avenue to the centerline of East 8<sup>th</sup> Street; Thence North along the centerline of East 8<sup>th</sup> Street to the centerline of East Madison Avenue; Thence East along the centerline of East Madison Avenue to the Southerly Extension of the East Line of Lot 44, Shawnee Acres, an Official Plat; Thence North along said Southerly Extension and the East line of said Lot 44 to a line that is 421.75 feet North of and parallel with the South line of said Lot 44; Thence West along said parallel line to West line of said Lot 44; Thence North along said West line and its Northerly Extension to the centerline of East Shawnee Avenue; Thence East along the centerline of East Shawnee Avenue to the Southerly Extension of the East line of the West 65 feet of Lots 32 and 33 of said Shawnee Acres; Thence North along said Southerly Extension and said East line of the West 65 feet of Lots 32 and 33 to the North line of said Lot 32; Thence West along said North line to the East line of Lot 23 of said Shawnee Acres;

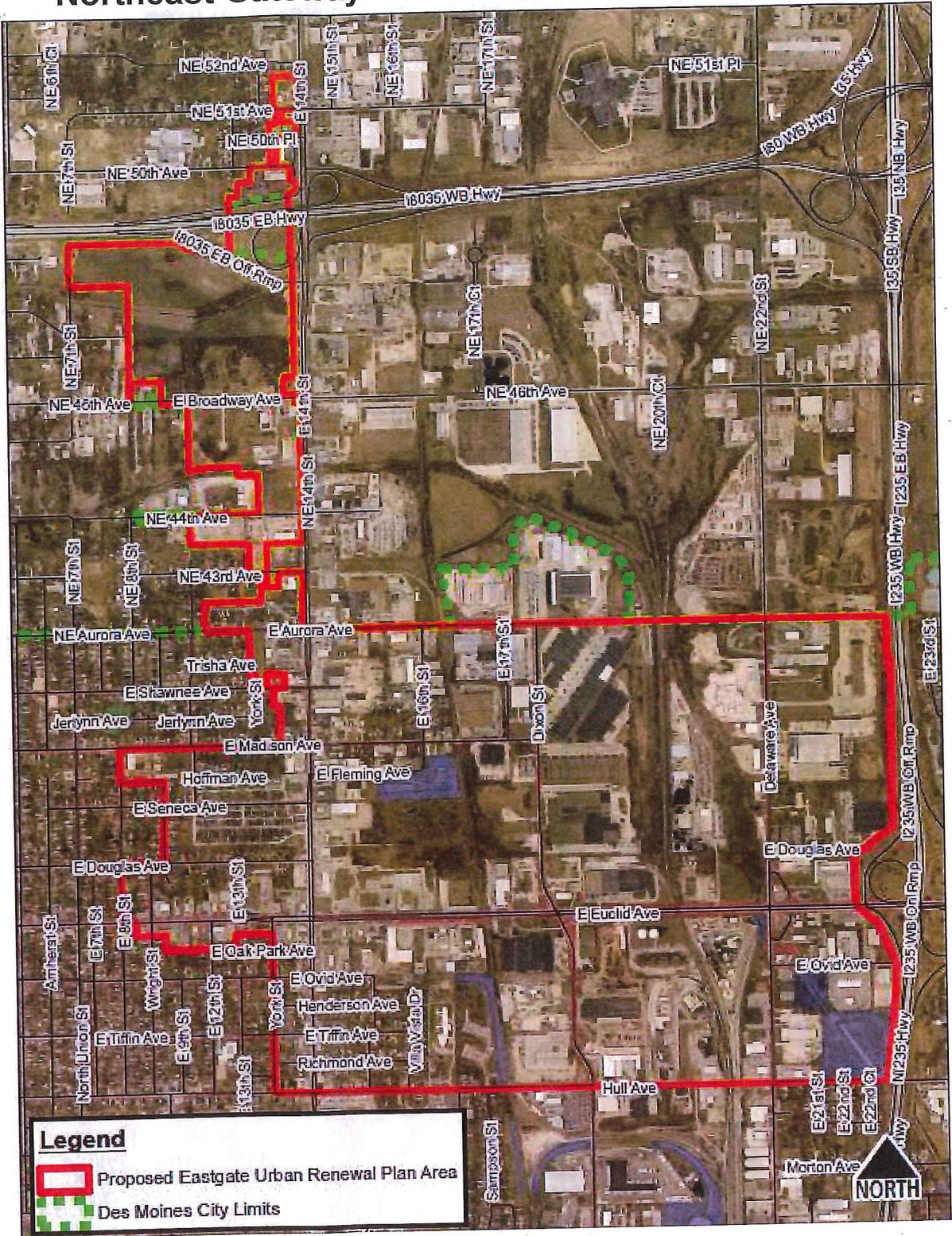
Thence North along said East line to a line that 130.85 feet North of and parallel of the South line of Lots 21, 22 and 23 of said Shawnee Acres; Thence West along said parallel line to a line that is 8 feet West of and parallel to the East line of said Lot 21; Thence South along said parallel line to the South line of said Lot 21; Thence West along said South line and continuing along the South line of Lots 19 and 20 of said Shawnee Acres to a line that is 65 feet East of and parallel to the West line of said Lot 19; Thence North along said parallel line to a line that is 125.42 feet

North of and parallel to the South line of said Lot 19; Thence West along said parallel line to the West line of said Lot 19; Thence North along said West line and its Northerly Extension to the centerline of East Aurora Avenue Right of Way; Thence West along said centerline to the Southerly Extension of the West line of Lot 11, Pagliai Place, an Official Plat; Thence North to the Southwest corner of said Lot 11; Thence continuing North along the West line of Lot 11 and Lot 16 of said Pagliai Place to the Northwest corner of said Lot 16; Thence East along the North line of said Lot 16 to the Southwest corner of Lot 48, Iowa Garden Acres, an Official Plat; Thence North along the West line of said Lot 48 to the Northwest corner of said Lot 48; Thence continuing North along the Northerly Extension of the West line of said Lot 48, a distance of 15.0 feet to the centerline of Northeast 43<sup>rd</sup> Avenue Right of Way; Thence West along said centerline to the Southerly Extension of the West line of Lot 1 in said Iowa Garden Acres; Thence North along said Southerly Extension and along said West line to the Northwest corner of said Lot 1; Thence West along the South line of the North half (1/2) of the Southeast Quarter (1/4) of the Northeast Quarter (1/4) of said Section 23, to the West line of the Southeast Quarter (1/4) of the Northeast Quarter (1/4) of said Section 23; Thence North along the West line of the Southeast Quarter (1/4) of the Northeast Quarter (1/4) of said Section 23, to the North right of way line of Northeast 44th Avenue (Hoffman Road); Thence East along said North right of way line to the Southerly Extension of the East line of Lot 21, Stickler Heights, an Official Plat; Thence North along the East line of said Lot 21 to the Northeast corner of said Lot 21; Thence West along the North line of said Lot 21, to a point 788.1 feet West of the East line of the Northeast Quarter (1/4) of the Northeast Quarter (1/4) of said Section 23; Thence North along a line that is 788.1 feet West of and Parallel with said East line of the Northeast Quarter (1/4) of the Northeast Quarter (1/4) of Section 23 to the South line of Vista Broadway Industrial Plat 1, an Official Plat; Thence West along said South line to the West line of said Vista Broadway Industrial Plat 1; Thence North along said West line to the South Right of Way line of Northeast 46th Avenue (East Broadway Avenue); Thence West along said South Right of Way line to a point that is 300 feet West of the East line of the Southwest Quarter (1/4) of the Southeast Quarter (1/4) of Section 14, Township 79 North, Range 24 West of the 5<sup>th</sup> P.M.; Thence North along a line that is 300 feet West of and parallel to the East line of the Southwest Quarter (1/4) of the Southeast Quarter (1/4) of said Section 14, to the North right of way line of Northeast 46th Avenue (East Broadway Avenue); Thence North 00° 03' 45" West, 192.0 feet; Thence South 89° 55' 30" West, 348.0 feet; Thence South 00° 03' 45" East, 225.0 feet to the centerline of Northeast 46th Avenue Right of Way (East Broadway Avenue); Thence South 89° 55' 30" West along said centerline, a distance of 18.02 feet to the West line of the East ½ of the Southwest Quarter (1/4) of the Southeast Quarter (1/4) of said Section 14; Thence North along said West line, a distance of 33 feet; Thence North 00° 01' 45" West along said West line, 1293.06 feet to the North line of the Southwest Quarter (1/4) of the Southeast Quarter (1/4) of said Section 14; Thence South 89° 56' 30" West along said North line, 665.22 feet to the Northwest corner of the Southwest Quarter (1/4) of the Southeast Quarter (1/4) of said Section 14; Thence North 00° 00' 00" East along the West line of the Southeast Quarter (1/4) of said Section 14, a distance of 479.65 feet to a point that is 183.0 feet South of the centerline of US Interstate 80/35 Right of Way, as it is presently established; Thence North 89° 55' 30" East, parallel with and 183.0 feet South of the South line of the North ½ of the Northwest Quarter (1/4) of the Southeast Quarter (1/4) of said Section 14, a distance of 1329.98 feet to the East line of the Northwest Quarter (1/4) of the Southeast Quarter (1/4) of said Section 14; Thence South 00° 03' 45" East, 68.47 feet along the East line of the Northwest Quarter (1/4) of the Southeast Quarter (1/4) of said Section 14; Thence South 85° 15' 30" East, 503.84 feet; Thence North 0° 07' 30" West, 535.38 feet to the

present North Right of Way line of US Interstate 80/35; Thence continuing North 0° 07' 30" West, 91.25 feet; Thence North 89° 58' 00" East, 97.13 feet; Thence North 0° 07' 30" West, 165.00 feet; Thence North 89° 58' 00" East, 146.17 feet; Thence North 0° 07' 30" West, 165.00 feet to the centerline of Northeast 50th Avenue Right of Way (Goode Drive); Thence East along said centerline to the Southerly Extension of the West line of Lot 19, Goode Heights Plat One, an Official Plat; Thence North along the Southerly Extension of the West line of said Lot 19 to the Southeast corner of said Lot 19; Thence North along the West line of said Lot 19 and the West line of Lot 17, of said Goode Heights Plat One, to the Northwest corner of said Lot 17, and the South Right of Way line of Lot D, Goode Heights Plat One, (also known as Wauneta Drive and Northeast 50th Place); Thence continuing North along the Northerly Extension of said Lot 17 to the North Right of Way line of said Lot D, (Wauneta Avenue and Northeast 50th Place) and the Southwest corner of Lot 2 of said Goode Heights Plat One; Thence North along the West line of said Lot 2 to the Northwest corner of said Lot 2; Thence East along the North line of said Lot 2 to the Northeast corner of said Lot 2, also being the Southwest corner of Lot 27, Goode Heights Plat No.2, an Official Plat; Thence North along the West line of said Lot 27 to the Northwest corner of said Lot 27 and the South Right of Way line of Lot A, (also known as Forrest Goode Road and Northeast 51st Avenue) of said Goode Heights Plat No.2; Thence North along the Northerly Extension of the West line of said Lot 27 to the North Right of Way line of Northeast 51st Avenue (Forrest Goode Road); Thence West along said North Right of Way line to the Southeast corner of Lot 14 of Pettit Place, an Official Plat; Thence North along the West line of said Lot 14, a distance of 350.0 feet; Thence East along a line 350.0 feet North of and parallel with the South line of said Lot 14, a distance of 255.0 feet to the East line of said Lot 14; Thence South along the East line of said Lot 14, a distance of 350.0 feet to the South line of said Lot 14 to the North Right of Way line of said Northeast 51st Avenue (Forrest Goode Road); Thence continuing South along the Southerly Extension of the East line of said Lot 14 to the centerline of said Northeast 51st Avenue Right of Way (Forrest Goode Road); Thence West along the centerline of said Northeast 51st Avenue Right of Way (Forrest Goode Road), said centerline also being the North line of Lot A of said Goode Heights Plat No.2, to a point that is 150 feet West of the East line of said Lot A; Thence South along a line that is 150 feet West of and parallel to the East line of said Lot 27, to a line that is 120 feet South of and parallel to the North line of said Lot 27; Thence East along said parallel line to the East line of said Lot 27; Thence South along said East line to the North line of Lot 1 of said Goode Heights Plat One; Thence East along the North line of said Lot 1, a distance of 10.0 feet to the Northeast corner of said Lot 1; Thence South along the East line of said Lot 1, to the Southeast corner of said Lot 1, said corner also being the Northeast corner of Lot D (Wauneta Avenue and Northeast 50th Place) in said Goode Heights Plat One; Thence West along the North line of said Lot D, (Wauneta Avenue and Northeast 50th Place), a distance of 60 feet; Thence South along a line that 60 feet West of and parallel with the East line of said Lot D, for a distance of 25 feet; Thence West along a line that is 25 feet South of and parallel with the North line of said Lot D to the Northerly Extension of Lot 17 in said Goode Heights Plat One; Thence South along said Northerly Extension of the West line of said Lot 17 and along the East line of Lots 17 and 19 of said Goode Heights Plat One, 280.0 feet, to the North line of Lot A (also known as Northeast 50th Avenue and Goode Drive) of said Goode Heights Plat 1, to a point 228.0 feet West of the East line of said Lot A; Thence East along said North line of Lot A to a point that is 117.0 feet West of the East line of said Section 14; Thence South along a line that is 117.0 feet West of and parallel with the East line of said Section 14 to the South Right of Way line of Northeast 50th Avenue (Goode Drive), and being on the West Right of Way line of Northeast 14th Street (U.S. Highway 69); Thence

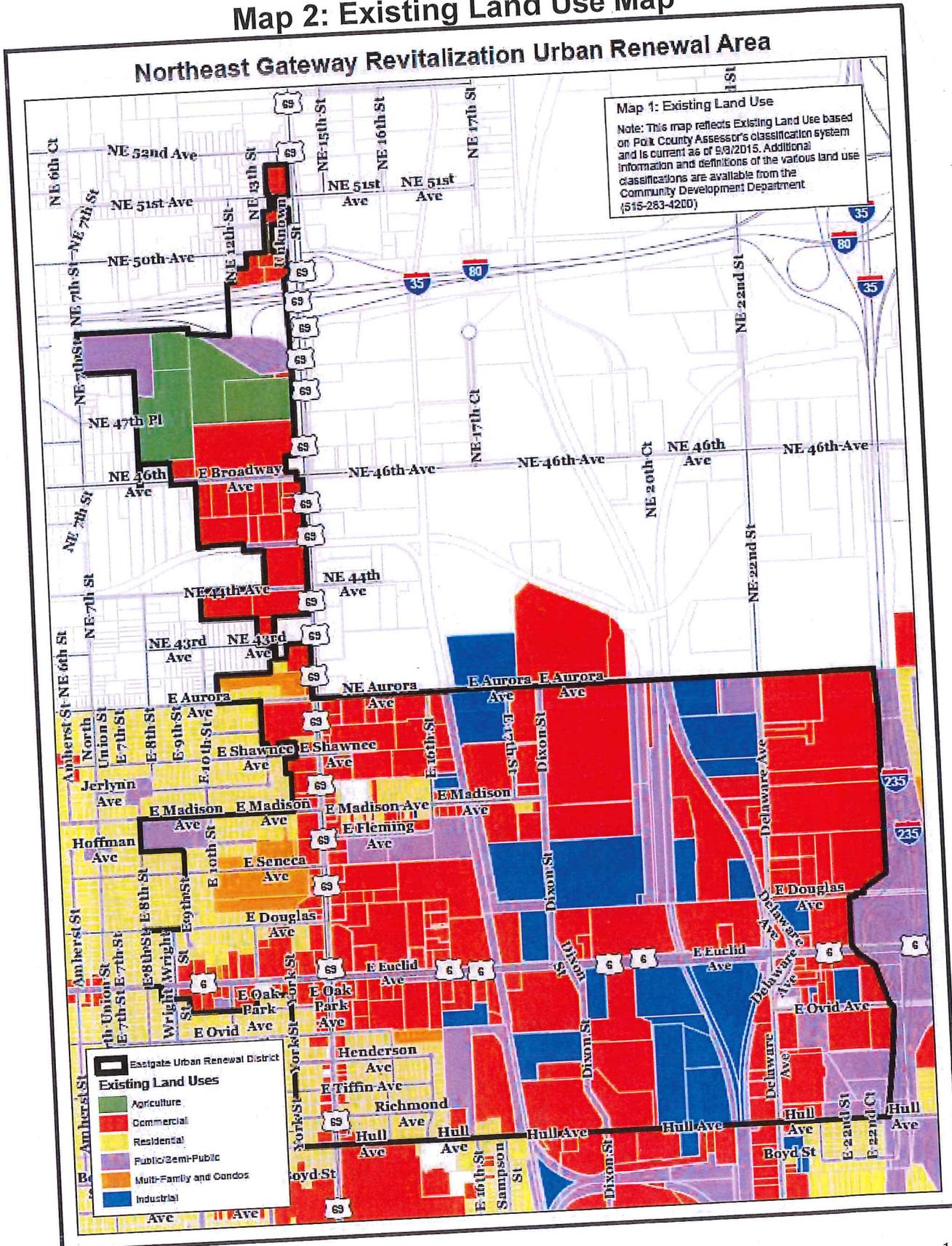
South 03° 06' 50" West, 149.25 feet along said Right of Way line; Thence South 89° 58' 00" East along said Right of Way line, a distance of 60.0 feet; Thence South 0° 07' 30" East along said Right of Way line, a distance of 90.00 feet; Thence South 48° 31' 07" West, 113.27 feet to the North Right of Way line of United States Interstate 35-80; Thence South along a straight line to a point that is 116 feet West of the East line of the Southeast Quarter (1/4) of said Section 14 and 1322.77 feet North of the South line of the Southeast Quarter (1/4) of said Section 14; Thence South 00° 07' 30" East, parallel with and 116.0 feet West of the East line of the Southeast Quarter (1/4) of said Section 14, a distance of 1131.04 feet; Thence South 89° 55' 30" West, 125.7 feet; Thence South 00° 07' 30" East, 191.7 feet to a point 50.0 feet North of the South line of the Southeast Quarter (1/4) of said Section 14; Thence East along a line that is 50.0 feet North of and parallel with the South line of said Section 14, a distance of 125.7 feet; Thence South 102.0 feet to a point 52.0 feet South of the North line of Section 23, Township 79 North, Range 24 West of the 5th P.M. and 116.0 feet West of the East line of said Section 23; Thence East along the South Right of Way line of Northeast 46th Avenue (East Broadway Avenue) to the West Right of Way line of Northeast 14th Street (U.S. Highway 69), said Right of Way line being 50.0 feet West of the East line of said Section 23; Thence South along the West Right of Way line of said Northeast 14th Street (U.S. Highway 69), 319.51 feet; Thence West 10.0 feet to the Northeast corner of Lot 15, Stickler Heights, an official plat; Thence South along said West Right of Way line and the East line of said Lot 15, a distance of 198.0 feet; Thence East 10.0 feet to the Northeast corner of Lot 16, of said Stickler Heights; Thence South and 50.0 feet West of and parallel with the East line of said Section 23, to the North line of Lot 1, Iowa Garden Acres, an Official Plat; Thence West along said North line of said Lot 1, to a point 200.0 feet East of the Northwest corner of said Lot 1; Thence South along a line that is 200.0 feet East of and parallel with the West line of said Lot 1, to the South line of said Lot 1; Thence continuing South along the Southerly Extension of said parallel line to the centerline of Northeast 43rd Avenue, a distance of 15.0 feet; Thence West along said centerline to the Northerly Extension of the East line of Lot 49 of said Iowa Garden Acres; Thence East along a line that is 157.5 feet North of and parallel of the South line of Lots 49 and 50 of said Iowa Garden Acres to the West line of Lot 51 of said Iowa Garden Acres; Thence North along the West line of said Lot 51, to the Northwest corner of said Lot 51; Thence continuing North along the Northerly Extension of said West line to the centerline of Northeast 43rd Avenue Right of Way, a distance of 15.0 feet; Thence East along the centerline of Northeast 43rd Avenue and parallel with the North line of Lots 51 and 52 of said Iowa Garden Acres, to the West Right of Way line of Northeast 14th Street (U.S. Highway 69); said point being 50.0 feet West of the East line of said Section 23; Thence South along a line that is 50.0 West of and parallel to centerline of East Aurora Avenue Right of Way; Thence East along the centerline of East Aurora Avenue to the West Right of Way line US Interstate 235; Thence South along said West Right of Way line to the centerline of Hull Avenue; Thence West along said centerline of Hull Avenue to the Point of Beginning.

# Map 1: Plan Boundary Northeast Gateway Revitalization Urban Renewal Area

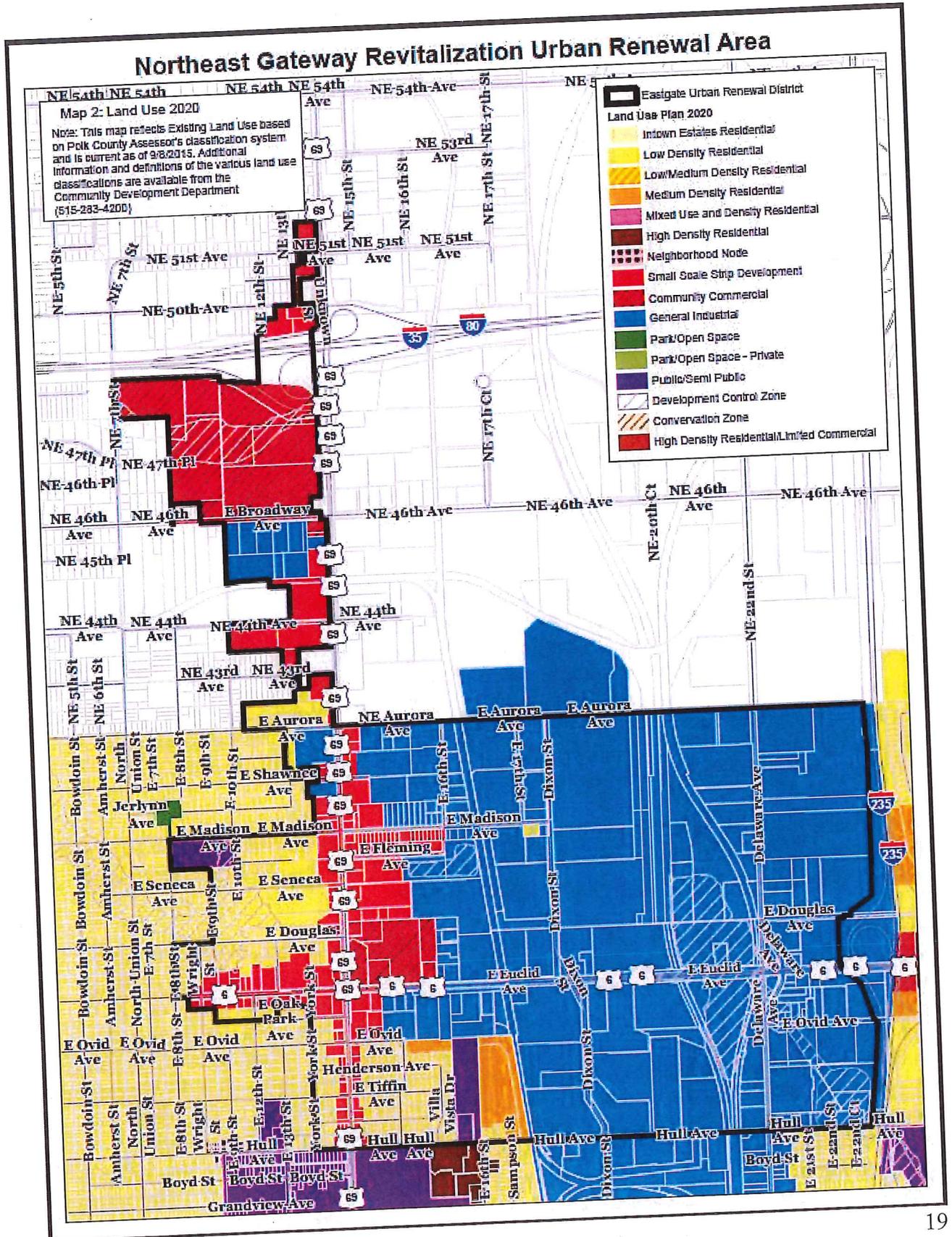


# Map 2: Existing Land Use Map

## Northeast Gateway Revitalization Urban Renewal Area



# Map 3: Future Land Use Map



## **Attachment B**

### **FINANCIAL CONDITION REPORT**

#### **Northeast Gateway Revitalization Urban Renewal Area**

#### Urban Renewal History

Urban renewal was created by the federal government in the 1950's to assist cities in renewing their older central districts by providing for the removal of slum and blight conditions. It proved to be a vital tool for redeveloping areas of cities where private sector interest had not responded, and where intervention was needed to appropriately plan and facilitate investment in new housing, businesses, and public infrastructure. Public and private partnerships have been achieved through the use of urban renewal, resulting in substantial increases in taxable valuation, employment, services and amenities that would otherwise not have occurred. With the evolution of cities in the last 50 years, urban renewal has been able to help local government respond to the need to broaden economic reinvestment in all sectors.

A tax increment finance district, necessary for utilizing the tax increment in the urban renewal area, will be created for the Northeast Gateway Revitalization Urban Renewal Area to facilitate the objectives of the Northeast Gateway Revitalization Urban Renewal Plan (the "Plan").

#### Tax Increment Financing

Tax increment financing (TIF) is an economic development tool available only in designated urban renewal areas. Tax increment is basically the property tax revenue generated by the cumulative general ad valorem tax levy (exclusive of protected levies) on the difference between the taxable value of all property in the TIF district at the base valuation date, and the taxable value of the properties in any subsequent year. The base valuation date for an urban renewal area is January 1st of the calendar year immediately preceding the calendar year that the municipality first certifies an indebtedness to be paid by the tax increment revenue.

The municipality may use the tax revenue created by the tax increment for financing the objectives and projects identified in the urban renewal plan, such as land acquisition and the provision of new infrastructure improvements.

Utilization of TIF is most effective in areas where development and creation of new increment will occur after the designation of the urban renewal area. TIF can only be used for activities or items identified in the urban renewal plan. An example of an activity would be where the municipality issues TIF bonds to up front the costs of constructing needed infrastructure. The tax increment from the urban renewal area is then used to pay off the bonds. This can also be accomplished through a development agreement where a private entity constructs or renovates a building in the urban renewal area and receives financial assistance from the City in the form of the incremental tax revenues created by their investment. If the revenues are not utilized for any of these eligible costs, the increment is returned to general revenues of the several taxing entities.

This financial condition report will summarize the anticipated growth in revenues from, and expenditures anticipated for the Northeast Gateway Revitalization Urban Renewal Area.

#### Indebtedness and Bonding

The current general obligation debt for the City of Des Moines is \$426,420,000. The State of Iowa Constitutional debt ceiling limit for general debt obligations by the City of Des Moines is \$542,887,856.

No bonds have been issued for this area to date. Future consideration will be given to issuance of debt in the Area for public improvement projects that will improve the local economy, safety, and quality of life for residents and business owners. Evaluation of the area has focused on assessing the condition of infrastructure in the area and identifying age and condition of properties. The preferred methodology will be to have the private sector up-front any required improvements, and negotiate financial assistance to be paid by the City from the increment tax revenue created when additional value is added to the property. The future revenues of the Area have been projected conservatively, using existing valuation. Individual projects will be evaluated based on costs of extending improvements, anticipated new increment to be added, and timeframe to expect increment to be realized.

#### Property Tax Assessments and Revenue

The City anticipates taking the necessary action to designate January 1, 2015, as the base valuation date for the Northeast Gateway Revitalization Urban Renewal Area. Any increase in the property tax assessment over the existing assessment on the base valuation date may be captured for use in the Area by the City.

The total TIF property tax assessment base for the Northeast Gateway Revitalization Urban Renewal Area is approximately \$196,070,263. The base value will be formally determined by the Polk County Assessor's Office after the first certification of indebtedness for the Area.

All taxes levied by the other taxing jurisdictions on the tax assessment base will continue to be distributed to them in the ordinary course. If the adoption and implementation of this Plan serves its intended purpose of accelerating the rate of development and redevelopment in the area, the loss of a portion of that growth will be largely offset by an increase in the rate of the growth. Therefore, it is expected that the creation of the Northeast Gateway Revitalization Urban Renewal Area should have no material detrimental impact on the provision of services by each of the affected taxing entities.

#### Future Financial Condition

It is anticipated that the property values will increase in this urban renewal area, primarily due to anticipated economic development activity. The City will undertake future projects in cooperation with the private sector to enhance this area, which may include public infrastructure and development financial assistance as warranted and

negotiated through the City Manager and the Office of Economic Development. It is anticipated that all development agreements will be reviewed and approved by the City Council. The terms of such agreements will be constructed to maximize the ability to successfully implement the objectives of this Plan, provide for quality building construction and site development, the construction of public improvements necessary for the development of commercial and light industrial uses and the creation of jobs. Performance standards and objectives will be incorporated into all agreements that must be satisfied before any use of public revenues. All use of tax increment financing will be subject to annual cash flow from the Area.

Property valuations and revenues for the next twenty years have been estimated for a 20 year time frame. The estimates are based on the following assumptions:

- 1.5% annual growth rate in the Area's land and building assessments after any current tax abatements are taken into account.
- A \$40/1000 levy rate, after the protected certified debt service levy is subtracted from the overall tax rate.
- Follow Council policy adopted March 24, 1997 that allows the City to expend up to 75% of the annual aggregated tax increment revenues from all TIF areas generated after January 1, 1996.
- The taxable value of the area on January 1, 2015, will not be materially affected by any pending appeals.

Below is a table that projects the growth in estimated property valuation, the available tax increment revenues and estimated tax increment usage from the Northeast Gateway Revitalization Urban Renewal Area based upon these assumptions. The actual expenditure of tax increment for undertakings pursuant to this Plan may occur at an earlier or later date than is shown in this table, subject economic conditions and the rate new development occurs in the Area.

### Projected TIF Revenues for Northeast Gateway Revitalization Urban Renewal Area

Fiscal Year	Taxable Valuation (Base 196,070,263)	Accumulated Increment Added	Projected TIF Revenues	Projected TIF Usage
2016-2017	198,371,346	2,301,083	92,043	69,032
2017-2018	201,346,916	5,276,653	211,066	158,300
2018-2019	204,367,120	8,296,857	331,874	248,906
2019-2020	207,432,627	11,362,364	454,495	340,871
2020-2021	210,544,116	14,473,853	578,954	434,216

2021-2022	213,702,278	17,632,015	705,281	528,960
2022-2023	216,907,812	20,837,549	833,502	625,126
2023-2024	220,161,429	24,091,166	963,647	722,735
2024-2025	223,463,851	27,393,588	1,095,744	821,808
2025-2026	226,815,808	30,745,545	1,229,822	922,366
2026-2027	230,218,046	34,147,783	1,365,911	1,024,433
2027-2028	233,671,316	37,601,053	1,504,042	1,128,032
2028-2029	237,176,386	41,106,123	1,644,245	1,233,184
2029-2030	240,734,032	44,663,769	1,786,551	1,339,913
2030-2031	244,345,042	48,274,779	1,930,991	1,448,243
2031-2032	248,010,218	51,939,955	2,077,598	1,558,199
2032-2033	251,730,371	55,660,108	2,226,404	1,669,803
2033-2034	255,506,327	59,436,064	2,377,443	1,783,082
2034-2035	259,338,922	63,268,659	2,530,746	1,898,060
2035-2036	263,229,005	67,158,742	2,686,350	2,014,762



## **BOUNDARY DESCRIPTION**

The boundary for this area includes existing commercial and industrial uses, publically owned property including a major regional stormwater detention facility, several partially improved properties, and medium density residential uses. The area is generally located between East 8<sup>th</sup> Street, NE Aurora Avenue, East Dixon Street and Hull Avenue.

The legal description for the urban renewal area can be found as attachment "B" of the urban renewal plan.

## **BASIS FOR URBAN RENEWAL**

In the State of Iowa, a city may designate an urban renewal area by following the requirements specified in Chapter 403, Code of Iowa, which requires the area to contain one or more of the following conditions:

- Slum and /or blighted conditions
- Economic development area due to its appropriateness for commercial or industrial enterprises, for public improvements related to housing and residential development, or construction of housing and residential development for low and moderate income families, including single and multifamily housing

In accordance with the Code of Iowa, it is determined that the Eastgate Urban Renewal Area qualifies as an economic development area due to its appropriateness for the development of commercial enterprises by attracting new private commercial development while retaining and expanding the existing commercial tax base and employment opportunities, and also as an area with blighted conditions. The existing conditions in the proposed area include vacant buildings and sites, buildings assessed at below normal condition, underutilized sites, and other conditions further detailed in the Planning Rationale section of this report.

## **CONFORMANCE WITH COMPREHENSIVE PLAN**

The Eastgate Urban Renewal Plan proposes reinvestment in and enhancement of an important commercial and business area of Des Moines, promoting revitalization and regeneration of the area's economy. It is recognized that there will be updates and amendments to the Des Moines 2020 Community Character Plan, in conjunction with this Urban Renewal Plan. These updates and amendments will provide zoning and land use classifications, as well as standards and regulations consistent with City of Des Moines intentions for this area.

## **PLANNING RATIONALE**

The proposed Eastgate Urban Renewal Area is approximately 482 acres in size and is located along or in close proximity to two State highways, East Euclid Avenue and NE 14<sup>th</sup> Street. The area consists of commercial and industrial businesses as well as publically owned property and medium density residential uses. A key site within the Urban Renewal Area is the former Eastgate Plaza Shopping Center site at NE 14<sup>th</sup> Street and East Euclid Avenue. Historically, this site provided a strong retail base for NE Des Moines, and also the larger region. Changes in the regional retail economy has affected the retail pull factor for this part of NE Des Moines, which has resulted in difficulty attracting new tenant investment. Increased regional retail competition, compounded with real and perceived challenges in developing property in this area, has resulted in slow buildout of vacant sites and repopulation of vacant buildings.

Existing conditions in the area include vacant buildings and sites, buildings assessed at below normal and poor condition, a large warehouse building identified as economically obsolete, numerous buildings that are 50 years old or more, underutilized parcels, parcels that are not adequately sized for development without assemblage with other land, dilapidated buildings and buildings valued at less than the properties they are constructed on. All of these conditions have the impact to pull down the economic viability of the entire district, and identify a need for revitalization.

There is a need to respond to these factors and conditions with targeted planning efforts and the strategic use of economic development tools, to maximize the area's ability to continue to be regionally competitive and create growth in valuation for the City of Des Moines. The current conditions and potential opportunities for new investment provide substantial basis for developing an urban renewal plan for this area. In addition, there has been significant input from the residential and business communities of NE Des Moines for the ability to maximize available resources and tools to bring revitalization and new valuation to this area.

It is appropriate to designate the Eastgate are as an Urban Renewal Area based on its economic development potential and existing blight conditions, and the need to facilitate and guide new investment and revitalization. The creation of this Urban Renewal Area will allow for the use of tax increment financing to assist with infrastructure improvements and economic development financial assistance as needed. This will result in new business opportunities and employment, benefit the area, and provide increased tax base for the City of Des Moines.

**SUMMARY**

The proposed Eastgate Urban Renewal Area has significant existing challenges, including building vacancies, underutilized and vacant parcels, low building valuations, and the need for further infrastructure improvements including traffic control. As an area that can provide retail and business services to Northeast Des Moines as well as the larger region, every effort should be made to plan and guide the highest level of quality and value in new development for this area. The adoption of this plan and the implementation of its goals and objectives will begin to provide the framework, guidelines and incentives needed for this to occur.

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Michael G. Ludwig

Planning Administrator