



Date May 23, 2022

**RESOLUTION HOLDING PUBLIC HEARING AND APPROVING PROPOSED
THIRTEENTH AMENDMENT TO THE URBAN RENEWAL PLAN FOR THE
SE AGRIBUSINESS URBAN RENEWAL AREA**

WHEREAS, on January 26, 1998, by Roll Call No. 98-275, the City Council adopted the Urban Renewal Plan for the SE AgriBusiness Urban Renewal Project, and such Plan has been amended twelve times (the urban renewal plan as amended is hereinafter referred to as the "Plan"); and

WHEREAS, the SE AgriBusiness Urban Renewal Project Area encompasses an irregularly shaped area generally located between S.E. 14th Street and SE 43rd Street, and between Dean Avenue and the Des Moines River; and

WHEREAS, the purpose of the proposed Thirteenth Amendment to the Plan, which is on file and available for inspection in the office of the City Clerk, is to:

- Amend text in Section V, PROPOSED LAND USE PLAN to reflect updated information regarding the updated zoning districts and land use designations.
- Amend Appendix A – Approved Economic Development and Redevelopment Activities to approve the provision of financial assistance from tax-increment revenues in the SE AgriBusiness Urban Renewal Area for the employment, redevelopment, renovation and/or improvement of:
 - NMDP Holdings, LLC – 40,000 square foot expansion to existing facilities to receive an economic development grant not to exceed \$275,000 as reimbursement for fire suppression sprinkler system costs
- Amend Appendix B – Approved Public Improvements, Public Buildings and Street Projects to amend the project budget of the Animal Control Facility from \$7.3 million to \$17 million dollars
- Update *Exhibit A* - Financial Condition Report to reflect the new projects and material amendments to existing projects.
- Amend Map 3 – Existing Zoning, and Map 4 – Proposed Future Land Uses.

WHEREAS, on April 18, 2022, by Roll Call No. 22-0603, the City Council resolved that a public hearing on the proposed Thirteenth Amendment be held on May 23, 2022, at 5:00 p.m., in the Council Chambers; and

WHEREAS, the Urban Design Review Board reviewed the proposed Thirteenth Amendment at its meeting on April 19, 2022, and voted 9-0 to approve said Amendment with one member abstaining; and

WHEREAS, notice of this public hearing was published in the Des Moines Register on May 11, 2022, which notice sets forth the information required by Section 403.5(3) of the Iowa Code; and

WHEREAS, a copy of the Thirteenth Amendment and notice of this hearing was given by ordinary mail to the Des Moines Public School District, Polk County, Des Moines Area Community College, and Des Moines Area Regional Transit Authority, together with notice of a consultation meeting on the Thirteenth Amendment which was held on May 4, 2022; and



Date May 23, 2022

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

WHEREAS, the public hearing has now been opened and all persons and organizations desiring to be heard regarding the proposed Thirteenth Amendment to the 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 Thirteenth Amendment to the Urban Renewal Plan for the SE AgriBusiness Urban Renewal Project is hereby closed.
2. Upon consideration of the recommendations of the Urban Design Review Board and all other recommendations and statements from all other interested parties and organizations, the City Council finds that the Thirteenth Amendment conforms to the PlanDSM: Creating Our Tomorrow plan, as amended, for the development of the City as a whole.
3. The Urban Renewal Plan for the SE AgriBusiness Urban Renewal Project is hereby amended as set forth in the Thirteenth Amendment. The Urban Renewal Plan for the SE AgriBusiness Urban Renewal Project, as amended by the Thirteenth Amendment thereto, is hereafter in full force and effect.
4. The City Clerk is directed to cause the Thirteenth Amendment and a certified copy of this resolution to be recorded in the land records of the Polk County Recorder.

(Council Communication No. 22- 247)

MOVED by _____ to adopt. SECOND by _____

FORM APPROVED:

/s/Gary D. Goudelock Jr.
Gary D. Goudelock Jr., Assistant City Attorney

Table with 5 columns: COUNCIL ACTION, YEAS, NAYS, PASS, ABSENT. Rows include COWNIE, BOESEN, GATTO, MANDELBAUM, SHEUMAKER, VOSS, WESTERGAARD, and TOTAL.

CERTIFICATE

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

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

MOTION CARRIED APPROVED

Mayor

City Clerk

Prepared by: Whitney L. Baethke, Office of Economic Development, 400 Robert D. Ray Drive,
Des Moines, IA 50309 Phone: 515/283-4013
Return Address: City Clerk – City Hall, 400 Robert D. Ray Drive, Des Moines, IA 50309
Taxpayer: No change
Title of Document: Thirteenth Amendment to the SE AgriBusiness Urban Renewal Plan
Grantor/Grantee: City of Des Moines, Iowa

Thirteenth Amendment
to the
Urban Renewal Plan
for the
SE AgriBusiness Urban Renewal Area

Urban Design Review Board Action:	<u>04/19/2022</u>
Taxing Entities Consultation:	<u>05/04/2022</u>
City Council Approval:	<u>05/23/2022</u>

HISTORY

The Urban Renewal Plan for the SE AgriBusiness Urban Renewal Project was adopted on January 26, 1998 by Roll Call No. 98-275. The SE AgriBusiness Urban Renewal Plan and its subsequent amendments have been recorded in the land records of the Polk County Recorder as follows:

<i>Amendment</i>	<i>Roll Call No.</i>	<i>Adopted Date</i>	<i>Recorded Book</i>	<i>Beginning at Page</i>
Urban Renewal Plan	98-275	01/26/1998	7817	399
First Amendment	99-756	03/15/1999	8167	460
Second Amendment	02-1589	06/17/2002	9200	260
Third Amendment	08-1882	10/27/2008	12281	340
Fourth Amendment	11-2007	11/21/2011	14077	668
Fifth Amendment	13-0254	02/11/2013	14661	630
Sixth Amendment and Restated Plan	14-0436	03/10/2014	15147	570
Seventh Amendment	16-1088	06/27/2016	16082	24
Eighth Amendment	17-0621	04/03/2017	16441	125
Ninth Amendment	17-1785	10/09/2017	16690	321
Tenth Amendment	18-0355	04/09/2018	16887	843
Eleventh Amendment	18-1551	09/10/2018	17088	251
Twelfth Amendment	20-0656	04/20/2020	17808	118

PURPOSE

The purpose of this Thirteenth Amendment to the Urban Renewal Plan for the SE AgriBusiness Urban Renewal Project is to:

- Amend text in Section V, PROPOSED LAND USE PLAN to reflect updated information regarding the updated zoning districts and land use designations.
- Amend Appendix A – Approved Economic Development and Redevelopment Activities to approve the provision of financial assistance from tax-increment revenues in the SE AgriBusiness Urban Renewal Area for the employment, redevelopment, renovation and/or improvement of:
 - NMDP Holdings, LLC – 40,000 square foot expansion to existing facilities to receive an economic development grant not to exceed \$275,000 as reimbursement for fire suppression sprinkler system costs
- Amend Appendix B – Approved Public Improvements, Public Buildings and Street Projects to amend the project budget of the Animal Control Facility from \$7.3 million to \$17 million dollars
- Update *Exhibit A* - Financial Condition Report to reflect the new projects and material

amendments to existing projects.

- Amend Map 3 – Existing Zoning, and Map 4 – Proposed Future Land Uses.

Thirteenth Amendment to the SE AgriBusiness Urban Renewal Plan

1. Amend Section V, PROPOSED LAND USE PLAN, by deleting the current text and replacing with the following new text:

A. CURRENT ZONING AND LAND USE

The major zoning categories in the urban renewal area are:

<i>Use</i>	<i>Zoning Designation</i>
Industrial	I1, I2, I2-V, and I1-V
Floodway	F
Planned Unit Development	PUD
Public, Civic, and Institutional	P1 and P2
Mixed-Use	MX1, MX3, MX3-V, and EX
Neighborhood	N3C

A majority of the urban renewal area is zoned and used for light and heavy industrial uses. Major land use categories to be retained or encouraged in this urban renewal area are described below.

It is the City’s intention not to enlarge or create any additional large-scale residentially zoned areas within the urban renewal area. Existing zoning is shown on Map 3 – Existing Zoning.

The proposed land use plan concepts for this urban renewal plan, shown on Map 4 – Proposed Future Land Uses, is in conformance with the City’s adopted land use plan.

The City updated its comprehensive plan in April of 2016. Issues impacting this urban renewal area were evaluated in the review of the comprehensive plan. There are no conflicts between the comprehensive plan and this urban renewal plan.

It is intended that all principal trafficways will be retained. However, the specific location and design of streets are subject to refinement and modification to meet traffic engineering and design requirements.

B. LAND USE PROVISIONS (Standards and Controls)

Provisions and requirements related to each of the land use categories that will be encouraged in this urban renewal area are as follows. These land use categories are to be used as a general guide to assist the City in decisions related to land uses in the area such as rezoning requests, conditional use permits, and for projects with discretionary standards such as Planned Unit Developments and urban-renewal assisted properties.

The general locations of these land use categories are shown on **Map 4 – Proposed Future Land Uses**. References to the “Ordinance” are to the City of Des Moines Zoning Ordinance.

<i>Use</i>	<i>Function</i>	<i>Permitted Uses</i>	<i>Standards and Controls</i>
Industrial	Accommodates industrial development and limited supporting commercial uses.		Development in this classification could have a large impact on adjoining properties and the environment which would need to be mitigated
Public/Semi-Public	Areas that are mostly open to public use or public access.	May include government facilities, schools, hospitals, libraries, and community facilities.	
Community Mixed Use	Small- to medium-scale mixed use development, located on high capacity transit corridors or at the intersection of transportation corridors. Community mixed use areas include both a mix of medium density residential and a mix of retail and service establishments designed to attract customers from a large service area encompassing multiple neighborhoods and may include specialty retail that attracts regional customers.		
Parks and Open Space	Land or water areas generally free from development. Primarily used for park and recreation purposes but may also indicate private or public open spaces		

	reserved for natural resource conservation.		
Business Park	Accommodates light industrial, office and employment uses along with limited complementary retail uses.		Industrial uses in this category would produce little or no noise, odor, vibration, glare, or other objectionable influences, and would have little or no adverse effect on surrounding properties.

2. **Amend Appendix A:** Approved Economic Development and Redevelopment Activities (13th Amendment) to include NMDP Holdings, LLC Expansion as described therein.

3. **Amend Appendix B:** Approved Public Improvements, Public Buildings and Street Projects (13th Amendment) to update funding amount for Municipal Service Center and to update project budget for Animal Control Facility.

4. **Amend Exhibit A:** Financial Condition Report – SE AgriBusiness Urban Renewal Plan (13th Amendment) to reflect new projects and material amendments to existing projects.

5. **Amend Map 3 – Existing Zoning, and Map 4 – Proposed Future Land Uses**

Delete: Map 3 – Existing Zoning, and Map 4 – Proposed Future Land Uses, all previously adopted by Fourth Amendment to the SE AgriBusiness Urban Renewal Plan; and

Replace With: The accompanying Map 3 – Existing Zoning, and Map 4 – Proposed Future Land Uses.

Appendix A: Approved Economic Development and Redevelopment Activities (13th Amendment)

Shading indicates new and/or amended text

The following alphabetical listing provides a summary of projects approved by the Des Moines City Council for receipt of tax increment funding in accordance with the terms and conditions contained in the specific project development agreement. Text added by the 13th Amendment is highlighted below.

Projects marked with “*” are planned for upcoming consideration by the Des Moines City Council. This information is updated when the City Council approves the applicable project.

3800 Vandalia Road - Acquisition and clearance of land

Acquisition by voluntary sale of approximately 13 acres of land in the vicinity of 3800 Vandalia Road, and the clearance and preparation of such land for future redevelopment at an estimated cost not to exceed \$850,000.

Des Moines Cold Storage, Inc., Crossroads Cold Storage, LLC/vicinity of 3800 Vandalia Road

Relocation and expansion of Des Moines Cold Storage/Crossroads Cold Storage refrigeration and processing company. The company has been in Des Moines since 1910 and has over 500 current customers, providing storage for meat, vegetables, seafood, frozen meals and juice. They also provide value added services such as specialized boxing, order picking and international export processing via rail and truck. The project will include multiple phases with an estimated total cost for Phase I, an 111,913-square foot building and rail track extension, at \$18,000,000 and be constructed in accordance with an Urban Renewal Development Agreement between the City, Des Moines Cold Storage, Inc. and Crossroads Cold Storage, L.L.C. proposed for approval by the City Council on June 27, 2016 by Roll Call No. 16-1087.

The Development Agreement provides for:

- Sale of 22.87 acres of land to Crossroads Cold Storage, LLC and the sale of an option for an additional 18.91 acres of land.
- An Economic Development grant in an amount equal to 75% of the project generated tax increment on the Phase I 113,900 square foot building to be paid out over 11 years, estimated as \$2,229,279, in the event that the project is eligible for and receives State of Iowa Industrial Tax Exemption under Chapter 427 B of the Iowa Code. If the project is not eligible for the State of Iowa Industrial Tax Exemption, the City will provide an Economic Development Grant equal to 75% of the project generated tax increment for ten years and 50% for five years, estimated at \$2,239,222.
- Provision of an in-kind Economic Development Grant of 90,000 cubic yards of fill material from City-owned land, valued at \$900,000, for use in filling, grading and improving the property and preparing the property for the Phase I improvements, and reservation of an additional 135,000 cubic yards of fill available to the developer for future grading needs related to the project.

Des Moines Cold Storage, Inc., Crossroads Cold Storage, LLC/vicinity of 3800 Vandalia Road (Amendment #1 to Development Agreement)

Expansion of Des Moines Cold Storage/Crossroads Cold Storage refrigeration and processing company. Amendment #1 to the Development Agreement allows for any additional expansion to the existing 110,000 square foot building to receive a grant of 75% of the project generated tax increment until the

expiration of the development agreement, which is assessment year 2032, fiscal year 2034. The currently planned expansion to the existing building will be 60,000-square feet and is estimated to cost about \$12,000,000. The expansion(s) to the existing building will be constructed in accordance with the 1st Amendment to the existing Urban Renewal Development Agreement between the City, Des Moines Cold Storage, Inc., and Crossroads Cold Storage, LLC.

Amendment #1 to the Development Agreement provides for:

- An Economic Development grant in an amount equal to 75% of the project generated tax increment on the 60,000-square foot expansion (Phase 1-A) to be paid out over 12 years, estimated at \$1,272,331 on a net-present-value basis with 4.5% discount rate.
- An Economic Development grant in an amount equal to 75% of the project generated tax increment on further expansions (Phase 1-B), if any, of the Des Moines Cold Storage corporate headquarters and service delivery operations as related to and incorporated into the Phase I and Phase I-A improvements, to be paid on the same schedule as the Phase I and Phase I-A Improvements and with final payment due no later than May 1, 2034.

Des Moines Transloading Facility

Development, construction and operation of a multi-modal transloading facility in the vicinity of 200 Southeast 15th Street by Des Moines Industrial LLC (“Operator”) in accordance with an Urban Renewal Agreement for Sale of Land for Private Development between the Operator and the City approved by the City Council on December 16, 2019 by Roll Call No. 19-2067 (“Development Agreement”), and with a Transload Development and Operation Agreement (“MPO Agreement”) between the Operator and the Des Moines Area Metropolitan Planning Organization (“MPO”), as well as a Grant Agreement under the Consolidated Appropriations Act, 2018 (Pub. L. 115-141, March 23, 2018) for the National Infrastructure Investments Discretionary Grant Program (FY 2018 BUILD Transportation Discretionary Grant), and all attachments thereto (collectively “BUILD Grant Agreement”), entered into by the MPO and any related subrecipient or subgrant agreement between Operator and the MPO pertaining to said Grant Agreement. Under the MPO Agreement the \$1,700,000 proceeds of a Railroad Revolving Loan and Grant Program (“RRLGP”) Loan Agreement between the Iowa Department of Transportation (“IDOT”) and MPO will be passed through as a sub-loan from MPO to the Operator for the acquisition of rail, ties, track-related materials and other personal property to be constructed or installed as part of the transloading facility, and under the BUILD Grant Agreement, the BUILD Grant funding will be passed through from the MPO to the Operator for property acquisition and construction costs related to the transloading facility. To satisfy IDOT RRLGP loan requirements, the City and MPO entered into a Des Moines Transloading Facility Development Agreement approved by the City Council on December 16, 2019 by Roll Calls 19-2068 and 19-2069 (“Assumption Agreement”) which provides that, in the event of Operator default, the City will assume all rights and obligations under the RRLGP loan and sub-loan including making all payments due on the RRLGP loan subject to reimbursement by the MPO from identified program funds. The City Council pledged general funds for making RRLGP loan payments but may utilize available tax increment funding. The Development Agreement also provides for purchase of real property from the City for the transloading facility for the price of \$1,434,000.00, which amount reflects \$1,284,000.00 for purchase of City property excluding East Market Street and \$150,000.00 for purchase of vacated East Market Street, subject to closing credits of (1) \$47,768 in the event that the City or Developer opt not to vacate and transfer SE 15th Street, and (2) \$150,000 or \$0.74 per square foot in the event that City or Developer opt not to vacate and transfer all or a portion of East Market Street; a Supplemental Economic Development Grant in the amount of \$50,000 to be paid upon issuance of the Certificate of Completion for the Improvements; and an Economic Development Grant in an estimated cash value amount of \$3,162,458 (\$2,501,709 net present value) to be paid in semi-

annual installments on the following declining scale of the project generated tax increment for the land and improvements after the tax abatement period:

Year	% Project TIF (total annually)
4-7	100%
8-10	75%
11-14	50%
15	42%

Helena Industries Expansion

Construction of one or more buildings for expansion of the manufacturing facilities owned by Helena Industries, Inc., in the vicinity of Vandalia Road and S.E. 36th Street in accordance with the Urban Renewal Agreement for the Sale of Real Estate between the City and Helena Industries, Inc., approved by the City Council on February 25, 2013, by Roll Call No. 13-0344, as amended by the First Amendment to Urban Renewal Agreement for the Sale of Real Estate approved by the City Council on July 24, 2017, by Roll Call No. 17-1256 (collectively the "Amended Agreement"). The Amended Agreement provides for the payment of an economic development grant to be advanced in 10 annual installments. The first five annual installments are equal to a declining percentage of the project generated tax increment revenues (75%, 60%, 45%, 30%, 15%) and each of the last five annual installments are equal to the lesser of \$33,600 or 100% of the project generated tax increment revenues.

Kemin Industries Expansion / vicinity of 2100 Maury Street

Construction, equipping and expansion of Kemin Industries manufacturing plant facilities, research and redevelopment facilities and world-wide corporate headquarters in multiple phases at an estimated total cost in excess of \$21,800,000 in accordance with an Urban Renewal Development Agreement between the City and Kemin Industries, Inc. and Kemin Holdings, L.C. approved by the City Council on June 13, 2011 by Roll Call No. 11-1048. A first amendment to the Development agreement was approved by the City Council on March 11, 2003 by Roll Call No. 13-0418.

The Development Agreement provides for:

- An Economic Development Loan for \$95,400 with payment deferred and forgiven upon completion of the increase tax base resulting from the construction of the planned improvements.
- An Economic Development Grant in the total amount of \$500,000 to be advanced in annual installments in an amount equal to 50% of the ad-valorem taxes due and payable in that fiscal year on the incremental assessed value of the buildings and improvements within the Kemin Industries corporate campus above a base assessed value with the first payment anticipated to be made on December 15, 2024.

NMDP Holdings, LLC Expansion

Construction of building for the expansion of the precast production plant operated by PDM Precast, Inc at an estimated cost of \$4.5 million on the 27-acre site located at 3312 East Granger. Urban Renewal Development Agreement with NMDP Holdings, LLC was approved on March 7, 2022, by Roll Call No. 22-0338 and provides for an economic development grant as reimbursement for the real costs of fire suppression sprinkler system installation not to exceed \$275,000.

Appendix B: Approved Public Improvements, Public Buildings and Street Projects (12th Amendment)¹

Shading indicates new and/or amended text

The City of Des Moines will use urban renewal powers to provide funding for the following public improvements referenced in Chapter VI, Section (A)(9):

The dollar amount estimates shown for public improvements generally reflect the cost estimates contained in the Capital Improvement Program (CIP) Plans adopted by the City Council. Actual costs of public improvements may vary from the estimated amounts depending on bond sale pricing, refined cost estimates contained in approved final plans and specifications, public bid pricing and other factors.

Richard A. Clark Municipal Service Center

- First phase Richard A. Clark Municipal Service Center (1550 Scott Street) (FY 2011/12, FY 2012/13, FY 2013/14 -- \$7,700,000 – 4th Amendment approved prior to 2012).
- SE Connector Roadway (FY 2013-14 -- \$750,000).
- Second phase Municipal Service Center (FY 2018/19 to FY 2021/22, no funding from tax increment revenues)

Planning, design and construction of the second phase of the Municipal Service Center to accommodate the relocation of the City Public Works and vehicle fleet facilities. Funding is for completion of the remaining land acquisition and for the design and construction of the second phase. Funding of \$73.4 million financed with essential corporate purpose urban renewal general obligation bonds and enterprise fund monies with no tax increment revenues utilized for the second phase project.

The second phase will include an approximate 215,000-square-foot building, 311 vehicle parking spaces accommodated in department parking – a portion of which are to be with indoor storage. On site Fleet staging is to be planned for 60 vehicles in the east staging area and another 48 in north staging area. 350 employee parking spaces are planned for a new lot south of Maury Street. The facility will house Fleet Services, Solid Waste, Public Works, Radio Services, covered vehicle fueling point, and a 3-wash bay facility. The building will provide vehicle/equipment storage, shop, repair, and maintenance areas, as well as office space, locker rooms, and a break area. The estimated schedule is to complete the final design and construction bid documents by Summer 2020 with construction completion estimated for Spring 2022.

Animal Control Facility

Design and construction of an approximate 17,000 sf Animal Control Facility to replace the current building at SE 14th Street and Granger Avenue. The site need is approximately 3 acres and planned for City owned land at SE 14th Street and Harriet. The project has an assumed 12-month design time and 18-month construction schedule. The overall project budget is \$17.0 million to be funded all or in part with essential corporate purpose urban renewal general obligation bonds. No tax increment revenues will be utilized for the Animal Control Facility.

¹ The anticipated expenditure of money could be delayed due to construction schedules, other funding priorities, etc. but will not occur earlier than stated in this Plan.

Exhibit A - Financial Condition Report SE AgriBusiness Urban Renewal Plan (13th Amendment)

The City has, by Ordinance No. 13,576 passed January 16, 1998, designated the SE AgriBusiness Urban Renewal Area as a 'Tax Increment Finance District' as permitted by Chapter 403, Code of Iowa, and such ordinance being amended by ordinance adopted in conjunction with this amendment to the Plan. 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 to connect the public and private sectors.

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. Chapter 403 requires the area to contain one or more of the following conditions which have been confirmed and adopted by the Des Moines City Council as existing in the SE AgriBusiness Urban Renewal Area:

- Slum and /or blighted areas
- Economic development opportunity

An urban renewal area must be designated by the city council. As part of the designation, the city council adopts 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 other conditions the city may want to impose on the development projects.

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 only available in designated urban renewal areas. The tax increment is the difference between the property assessment at the time the TIF District is created and the current assessment; TIF works best in areas where development will occur after the TIF designation.

The City can use the tax revenue created by the tax increment for financing the projects identified in the urban renewal plan such as acquisition of land, environmental remediation and construction of new infrastructure.

TIF can only be used for the activities or items authorized in the urban renewal plan; for example, the City can issue TIF bonds to "front-end" the costs of constructing needed infrastructure. The TIF funds are then used to pay off the bonds.

If the city does not use the revenue for paying off TIF bonds or for other eligible expenses incurred in the urban renewal area, the increment is released back to general revenues. On March 24, 1997, the City Council adopted a policy that the City may expend up to 75% of the annual aggregated tax increment revenues generated after January 1, 1996; the unexpended increment revenues will be available for distribution to the various property taxing entities.

Current TIF Bonding and Outstanding Indebtedness

The SE AgriBusiness Urban Renewal Plan and tax increment district were approved by the City Council in January 1998. This financial condition report will summarize projected revenue from the TIF, outstanding and contracted-for indebtedness, and the debt retirement periods for the SE AgriBusiness Urban Renewal Area.

Overall, as of July 1, 2021, the City of Des Moines has about \$487.5 million in general obligation debt. Of this debt, approximately \$141.7 million is being serviced with tax increment revenues from specific urban renewal areas. The State of Iowa Constitutional debt-ceiling limit for general debt obligations by the City of Des Moines is about \$725.3 million. Currently the SE AgriBusiness Urban Renewal Area has an outstanding total debt comprised of tax increment notes and bonds in this urban renewal area of about \$12.6 million.

Property Tax Assessments and Revenues

The City of Des Moines first certified debt in the fall of 1998 for payment in FY1999-00 from the SE AgriBusiness Urban Renewal Area. That action established January 1, 1997, as the base valuation date for purposes of the TIF District as originally established. By the Fourth Amendment to the SE AgriBusiness Urban Renewal Plan an additional area designated as "Subarea B" was added to the original area. The City first certified debt in the fall of 2011 for payment in FY2012/13 from the expanded urban renewal area. That action established January 1, 2010, as the base valuation date for the purposes of Subarea B. The base values of the original area and Subarea B on their respective base valuation dates were approximately \$53.4 million and \$4.6 million respectively. After adjustment for changes in the rollback, the combined urban renewal area has a total adjusted base value of approximately \$58.1 million. Any future increase in the total assessed value of all taxable property within the urban renewal area above the base value may be "captured" for use in the TIF District by the City. The total assessed value of all taxable property within the urban renewal area on January 1, 2021, was approximately \$165.9 million, producing an incremental assessed value above the base of approximately \$107.7 million.

Future Financial Condition

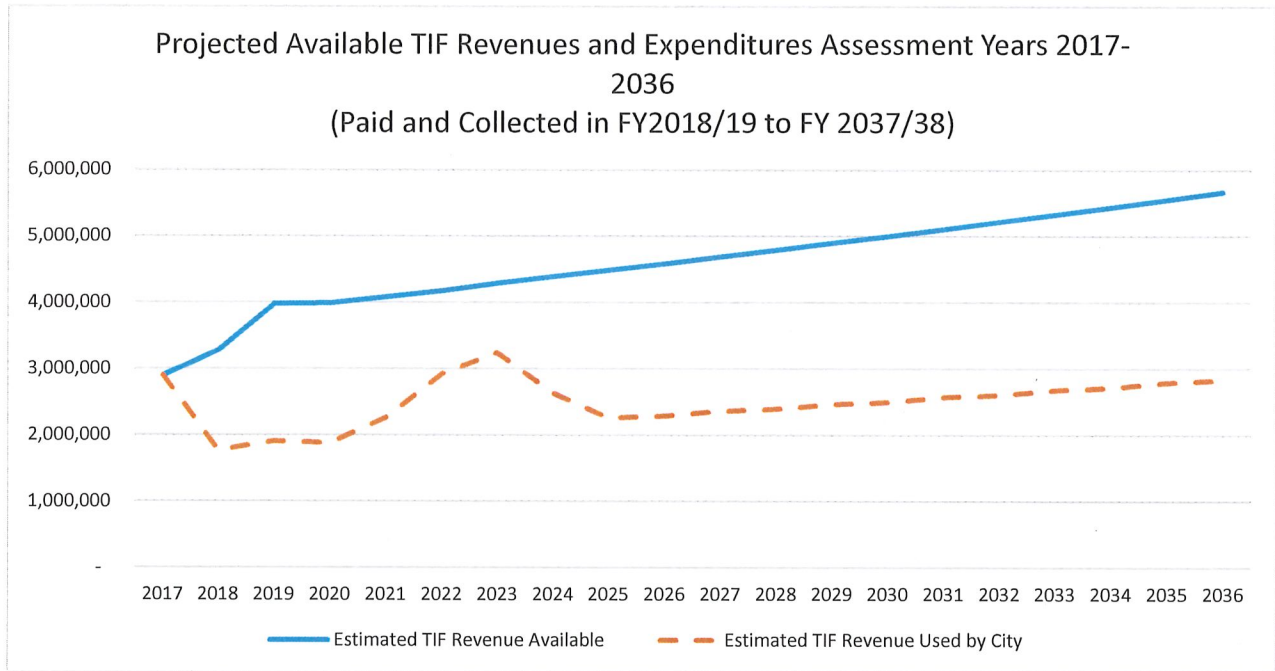
Shown below is a table that projects estimated property tax revenues and expenditures from the SE AgriBusiness Urban Renewal Area. In this Financial Condition Report, the estimated property tax revenues are based on a property tax levy rate of \$37 /\$1,000. This levy rate reflects the tax levy rate after subtracting payment of the 'protected debt levy' (various mandated debt expenses collected as part of the property tax levy.)

The revenue projections shown are based on increases in property tax revenues conservatively estimated with an annual growth rate of 1.5%.

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

Assessment Year	Base Valuation	Total Assessed Valuation	New Increment Valuation	TIF Valuation Used	Estimated TIF Revenue Available	Estimated TIF Revenue Used by City	Percent Valuation Used
2015	58,049,770	106,981,607	48,931,837	48,037,954	1,946,777	1,911,214	98%
2016	58,049,770	112,097,648	54,047,878	54,563,798	2,166,329	2,187,008	101%
2017	58,058,030	128,887,770	70,829,740	70,829,740	2,896,975	2,896,975	100%
2018	58,058,030	138,138,382	80,080,352	43,205,442	3,279,511	1,769,382	54%
2019	58,144,610	155,501,690	97,357,080	46,738,744	3,979,955	1,910,678	48%
2020	58,144,610	165,853,530	107,708,920	50,784,756	3,985,230	1,879,036	47%
2021	58,144,610	168,341,333	110,196,723	61,064,295	4,077,279	2,259,379	55%
2022	58,144,610	170,866,453	112,721,843	78,902,388	4,170,708	2,919,388	70%
2023	58,144,610	174,089,600	115,944,990	87,596,320	4,289,965	3,241,064	76%
2024	58,144,610	176,700,944	118,556,334	71,126,694	4,386,584	2,631,688	60%
2025	58,144,610	179,351,458	121,206,848	61,039,136	4,484,653	2,258,448	50%
2026	58,144,610	182,041,730	123,897,120	61,940,250	4,584,193	2,291,789	50%
2027	58,144,610	184,772,356	126,627,746	63,760,501	4,685,227	2,359,139	50%
2028	58,144,610	187,543,941	129,399,331	64,688,829	4,787,775	2,393,487	50%
2029	58,144,610	190,357,100	132,212,490	66,564,052	4,891,862	2,462,870	50%
2030	58,144,610	193,212,457	135,067,847	67,520,416	4,997,510	2,498,255	50%
2031	58,144,610	196,110,644	137,966,034	69,452,270	5,104,743	2,569,734	50%
2032	58,144,610	199,052,303	140,907,693	70,437,516	5,213,585	2,606,188	50%
2033	58,144,610	202,038,088	143,893,478	72,427,712	5,324,059	2,679,825	50%
2034	58,144,610	205,068,659	146,924,049	73,442,712	5,436,190	2,717,380	50%
2035	58,144,610	208,144,689	150,000,079	75,493,013	5,550,003	2,793,241	50%
2036	58,144,610	211,266,859	153,122,249	76,538,666	5,665,523	2,831,931	50%

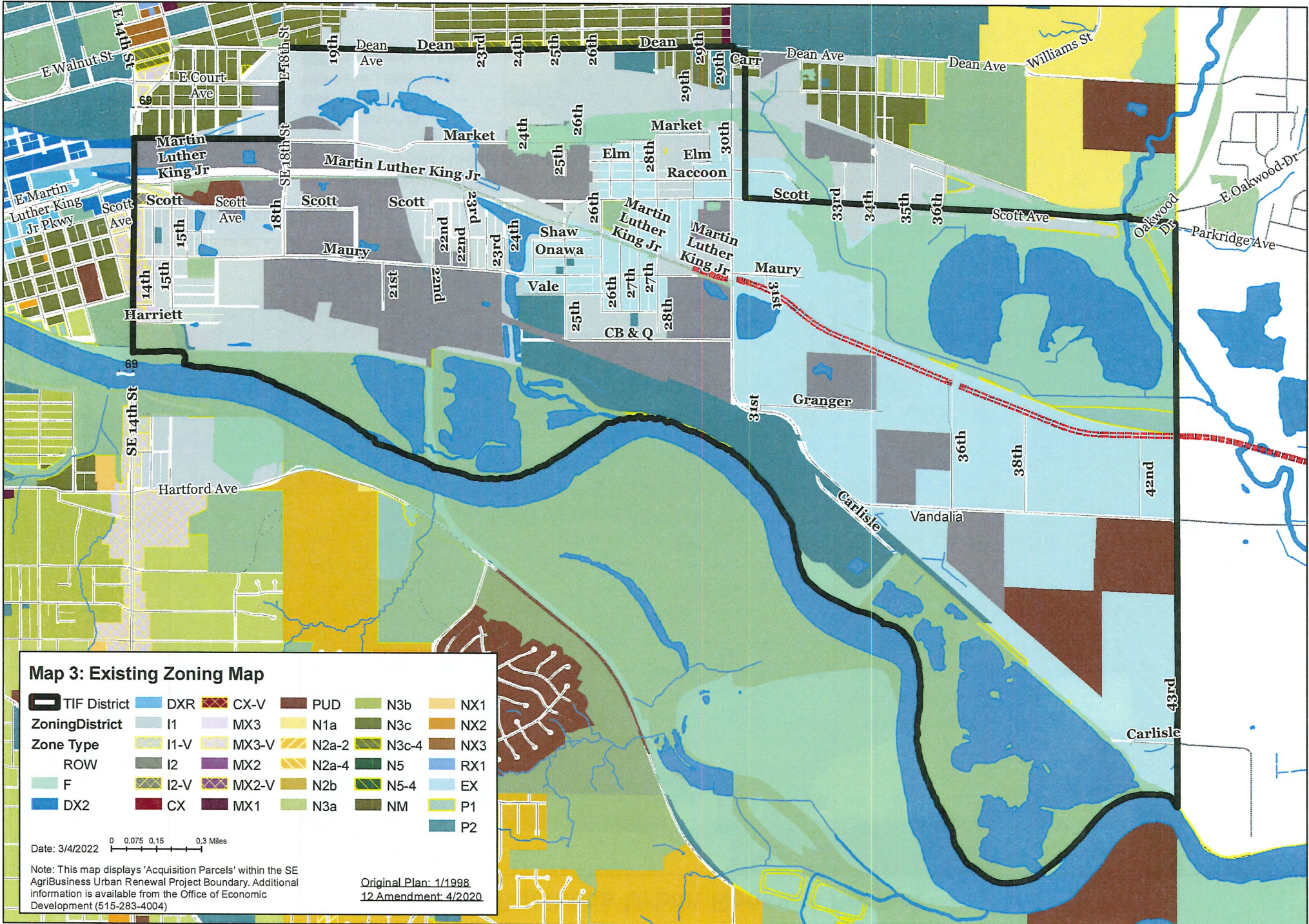
The graphic below shows the projected property tax revenues and expenditure estimates detailed in the table above.



NOTE: The taxes levied on, and the TIF revenue generated by the New Increment Value existing on January 1st of each assessment year shown in the table above is not actually collected or available until the fiscal year commencing 18 months later.

This information will change as future projects, subject to the urban renewal amendment process with the individual review of each amendment and projects by the City Council and other authorities as directed by the Code of Iowa, are approved.

SE AgriBusiness Urban Renewal Project



SE AgriBusiness Urban Renewal Project

