

.....
Date July 18, 2022

**RESOLUTION HOLDING PUBLIC HEARING ON THE PROPOSED
URBAN RENEWAL PLAN FOR THE EAST ARMY POST ROAD
URBAN RENEWAL AREA**

WHEREAS, the City Council desires to consider the use of its urban renewal powers to encourage and assist with the redevelopment and/or removal of blighted, obsolete, and underutilized properties within the urban renewal area, to facilitate the development and redevelopment of commercial uses to create and retain jobs in the City of Des Moines, to improve public infrastructure and to attract new economic investment leading to increased taxable valuation within the proposed East Army Post Road Urban Renewal Area which consists of 3 Parcels containing approximately 77 acres and is along and includes the City Right of Ways along East Army Post Road from SE 14th Street to the East Side of the intersection with Indianola Avenue; and,

WHEREAS, the City Manager has prepared a proposed Urban Renewal Plan for the East Army Post Road Urban Renewal Area (the "proposed urban renewal plan"), which is on file in the office of the City Clerk and available for inspection by the public electronically on the City of Des Moines website; and

WHEREAS, the proposed urban renewal plan seeks to encourage and assist with the above-described urban renewal purposes within the proposed East Army Post Road Urban Renewal Area, and to guide the development of the Urban Renewal Area and to activate new economic investment leading to increased taxable valuations, though provision of economic development assistance that will be provided in part with tax increment financing revenues to be generated in the urban renewal area; and

WHEREAS, on June 13, 2022, by Roll Call No. 22-0879, the City Council resolved that a public hearing on the proposed Plan be held on July 18, 2022 at 5:00 p.m. in the Council Chambers at 400 Robert D. Ray Dr., Des Moines, Iowa 50309; and

WHEREAS, the Urban Design Review Board reviewed the proposed urban renewal plan at a special meeting on July 12, 2022 and a consensus of the Board members present at such meeting unanimously recommended approval of the Plan as presented; and

WHEREAS, the City Plan and Zoning Commission reviewed the proposed urban renewal plan at its regular meeting on July 7, 2022 for conformity with the City's comprehensive plan, PlanDSM: Creating Our Tomorrow Plan, and voted 10-0 to find the Plan in conformance with PlanDSM; and

WHEREAS, notice of the public hearing on the proposed urban renewal plan was published in the Des Moines Register as required by law, setting forth the information required by Section 403.5(3) of the Iowa Code; and

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Date July 18, 2022

WHEREAS, notice was given by ordinary mail to the Des Moines Independent Community School District, Polk County, Des Moines Area Community College and Des Moines Area Regional Transit Authority of a consultation meeting held by electronic means at 10:00 a.m. on June 28, 2022; and

WHEREAS, the City has received no requests from the Des Moines Independent Community 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 from the urban renewal area; and

WHEREAS, the public hearing has now been opened and all persons and organizations desiring to be heard regarding the proposed Plan have been given the opportunity to be heard.

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

1. The public hearing on the East Army Post Road Urban Renewal Area is hereby closed.
2. Upon consideration of the recommendation of the Urban Design Review Board and the Plan and Zoning Commission, and the recommendations and statements from all other interested parties and organizations, the City Council hereby makes the following findings:
 - a) The proposed Plan conforms to PlanDSM: Creating our Tomorrow Plan, as amended, for the development of the City as a whole.
 - b) The Plan does not provide for the acquisition of any land by the City, and does not identify any land planned for acquisition. However, easements may be acquired in the future by voluntary acquisition or otherwise for the extension of public utilities and infrastructure necessary to properly serve the area.
4. The Urban Renewal Plan for the East Army Post Road Urban Renewal Area is hereby approved and adopted, and shall hereafter be in full force and effect.
5. The City Clerk is hereby authorized and directed to file a certified copy of the Plan and of this Resolution in the office of the Polk County Recorder.

(Council Communication No. 22-347)

Moved by _____ to adopt. Second by _____

APPROVED AS TO FORM:

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

 **Roll Call Number**

Agenda Item Number

61

Date July 18, 2022

| COUNCIL ACTION | YEAS | NAYS | PASS | ABSENT |
|----------------|------|------|----------|--------|
| COWNIE | | | | |
| BOESEN | | | | |
| GATTO | | | | |
| MANDELBAUM | | | | |
| SHEUMAKER | | | | |
| VOSS | | | | |
| WESTERGAARD | | | | |
| TOTAL | | | | |
| MOTION CARRIED | | | APPROVED | |

CERTIFICATE

I, LAURA BAUMGARTNER, Acting 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

_____ Acting City Clerk

July 12, 2022

Communication from the City Plan and Zoning Commission advising that at their July 7, 2022 meeting, the following action was taken regarding the determination as to whether the proposed East Army Post Road Urban Renewal Plan is in conformance with the PlanDSM Creating Our Tomorrow Plan.

COMMISSION RECOMMENDATION:

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

| <u>Commission Action:</u> | <u>Yes</u> | <u>Nays</u> | <u>Pass</u> | <u>Absent</u> |
|---------------------------|------------|-------------|-------------|---------------|
| Francis Boggus | X | | | |
| Dan Drendel | | | | X |
| Leah Rudolphi | X | | | |
| Dory Briles | X | | | |
| Abby Chungath | X | | | |
| Kayla Berkson | X | | | |
| Chris Draper | | | | X |
| Todd Garner | | | | X |
| Johnny Alcivar | X | | | |
| Justyn Lewis | X | | | |
| Carolyn Jenison | X | | | |
| William Page | X | | | |
| Andrew Lorentzen | X | | | |
| Emily Webb | | | | X |

APPROVAL that the Commission find the proposed East Army Post Road Urban Renewal Plan in conformance with the *PlanDSM: Creating Our Tomorrow Plan*.

STAFF RECOMMENDATION TO THE P&Z COMMISSION

Staff recommends that the Commission find the proposed East Army Post Road Urban Renewal Plan in conformance with the *PlanDSM: Creating Our Tomorrow Plan*.

STAFF REPORT TO THE PLANNING COMMISSION

I. GENERAL INFORMATION

1. **Purpose of Request:** Included in the Commission's packet is a draft version of the East Army Post Road Urban Renewal Plan (URP).

The proposed urban renewal area consists of approximately 77 acres located along the north and south sides of East Army Post Road. Approximately 60 acres are located south of East Army Post Road, including 1717, 1825, and 1895 East Army Post Road. Thirty-eight (38) of these acres are currently utilized as agricultural land. The Plan Area is generally located along East Army Post Road between Southeast 14th Street and Indianola Avenue.

2. **Applicable Regulations:** Taking into consideration the criteria set forth in Chapter 403 of the Iowa Code, the Commission reviews all proposals for a specific area that has been identified as a slum, blighted or economic development area or combination of the three to determine whether the proposed Urban Renewal Plan for the area is in conformance with the *PlanDSM: Creating Our Tomorrow* comprehensive plan. The recommendation of the Commission is forwarded to the City Council.

II. ADDITIONAL APPLICABLE INFORMATION

1. **Urban Renewal Plan Goals and Objectives:** The primary goal for the East Army Post Road Renewal Plan is to encourage the removal and redevelopment of blighted, obsolete, and underutilized property within the Urban Renewal Area; to facilitate the development and redevelopment of commercial uses to create and retain jobs in the City of Des Moines; and to activate new economic investment leading to increased taxable valuation.

Objectives for the plan include:

- Encourage and facilitate high-quality commercial uses, associated employment, and economic development opportunities within the Plan area.
- Encourage continued redevelopment and enhancement of regional nodes emphasizing a mix of uses, ease of access by transit, enhanced walkability, and high-density residential.
- Capitalize on the City's locational strengths geographically and as a hub in the regional transportation network, including but not limited to, development of a transload facility and expansion of the Des Moines International Airport.
- Identify and reduce impediments to the current freight network, including air, rail, and truck freight options, and enhance these options.
- Continue to support the designation of Highway 5 as an interstate highway.
- Utilize tax incentives, including tax abatement and tax increment financing (TIF), to retain and recruit businesses, and encourage higher-quality building and site plan design.

- Support revitalization of obsolete commercial locations and identify alternative land uses for locations that are both functionally and locationally obsolete.
- Support industrial growth and expansion.
- Identify infrastructure, transportation, and connectivity needs in strategic areas and work with the appropriate agencies to serve the needs of existing development and ensure availability for new development.
- Assist redevelopment and infill development on sites with adequate infrastructure through the use of incentives, intergovernmental coordination, and facilitated processes.
- Invest in and manage public infrastructure systems to support development and redevelopment in targeted areas.
- Require new development to provide adequate public infrastructure to serve the needs of the development and ensure facilities are sized and staged to provide for additional development beyond its boundaries.
- Adequately plan for maintenance, repair, upgrades, and replacement of City infrastructure. Align with neighborhood revitalization and economic development programs. Coordinate infrastructure work with other department work programs and outside utilities.
- Improve access to jobs in neighborhood nodes and corridors through economic development and transportation connections to other employment centers.
- Coordination of resources to attract new, quality economic development investment.
- Ensure new development is high quality, sustainable, and provides adequate parking and pedestrian connections and access.
- Encourage the incorporation of long-term sustainability into site development and building construction, particularly the efficient use of energy in heating, ventilation, and cooling system design.
- Encourage the use of low-impact development strategies and on-site stormwater management best practices in the Plan area.
- Further Des Moines' revitalization efforts to improve the strength, stability, and vitality of the area.
- Promote the redevelopment and revitalization of this neighborhood node and corridor.

- 2. PlanDSM Comprehensive Plan:** A prerequisite for an urban renewal plan is a comprehensive plan for the municipality. After the municipality has adopted such a plan, the municipality may prepare, adopt, and implement an urban renewal plan for the purpose of rehabilitation, conservation, redevelopment, development, or a combination thereof, of a designated urban renewal area to promote the public health, safety, or welfare of the residents of the municipality.

The City's Comprehensive Plan, *PlanDSM: Creating Our Tomorrow*, was adopted by the City Council on April 25, 2016, by Roll Call 16-0717. The future land use of the proposed Urban Renewal Plan shows the land outside the street Rights-Of-Way as a mix of Business Park and Industrial as well as Public/Semi-Public, Community Mixed-Use, Neighborhood Mixed Use, and Medium Density Residential bordered on the east by the intersection with Indianola Avenue within a Neighborhood Node and on the west

by the intersection Southeast 14th Street within a Regional Node. On June 27, 2022, by Ordinance No. 16,147, the City Council rezoned the parcels at 1717, 1825, and 1895 East Army Post Road from “EX” Mixed Use District to “I1” Industrial District and amended the land use classification from Business Park and Medium Density Residential to Industrial Use. Descriptions of each land use classification are provided below.

Medium Density Residential: Areas developed with mix of single family, two family and multi-family residential up to 17 dwelling units per net acre.

Neighborhood Mixed Use: Small-scale mixed-use development typically located at the intersections of collector and/ or arterial streets and along transportation corridors. Non-residential development is designed to serve the immediate neighborhood and include small retail, offices, restaurants, and service-oriented development. Low-medium density residential may be included in mixed use development.

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.

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.

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.

Neighborhood Node: These nodes are the smallest in size and offer services that provide for basic daily needs of the local population in the surrounding neighborhood. May include restaurants, shops, and smaller scale businesses. Residential development including low-medium and medium densities may occur.

Regional Node: The largest node, regional nodes are concentrations of employment, retail, and housing and may include light industrial uses. They serve the widest geographical area and attract people from throughout the City and region. High density residential development is appropriate at regional nodes.

The proposed goals and objectives contained within the East Army Post Urban Renewal Plan (listed in the previous section of this Staff Report) align with several goals contained in *PlanDSM: Creating Our Tomorrow*, including the following:

Economic Development:

- Goal 1: Foster economic prosperity and stability by retaining existing businesses and recruiting new businesses.
- Goal 2: Focus economic development efforts in strategic locations for continued vitality and growth.
- Goal 4: Foster a sustainable economy.

Land Use:

- Goal 2: Direct new growth and redevelopment to areas with existing infrastructure and nodes and corridors based on proximity to transit, shopping, services, and public amenities.
- Goal 7: Maintain the existing industrial designated areas to provide appropriate locations for industrial use.

Transportation:

- Goal 6: Ensure freight facilities continue to meet the needs of the local economy while being sensitive to impacts on surrounding land uses.
- Goal 8: Plan for future changes in transportation demand, technology, and innovation.

Public Infrastructure and Utilities:

- Goal 1: Provide safe and reliable public infrastructure and utilities for current residents as well as future development needs.

Community Character and Neighborhoods:

- Goal 3: Promote the redevelopment and revitalization of neighborhood nodes and corridors.

SUMMARY OF DISCUSSION

Chandler Poole present staff report and recommendation.

CHAIRPERSON OPENED THE PUBLIC HEARING

Carol Maher, 701 Polk Blvd stated having urban renewal plans on the consent agenda is bad practice as this Commission does make recommendations to City Council. She also finds it disingenuous that the urban renewal plan was never mentioned when these addresses were in front of the Plan and Zoning Commission and City Council for rezoning. With the proposed 4 lane road, she hopes sidewalks are considered in this urban renewal plan. According to her calculations, this seems to be a lot of administrivia for the amount of TIF dollars this property owner would receive.

Chandler Poole stated this is a very small urban renewal area which the city has done in the past to incentivize companies to come in. The TIF dollars stated are correct if nothing is built, if something is built the increments generated beyond that would be used. The road is not proposed to be 4 lanes, it will be 2 lanes with one in each direction and a turn lane down the middle.

Will Page asked for a street improvement timeline and will that include pedestrian sidewalk on each side.

Chandler Poole stated Traffic and Transportation will have a plan for sidewalks. The street improvements will be a number of years from now but those date could be accelerated if a funding stream is established.

Jason Van Essen stated pedestrian walkways would likely be required per the City's complete streets policy.

CHAIRPERSON CLOSED THE PUBLIC HEARING

COMMISSION ACTION:

Will Page made a motion that the Commission find the proposed East Army Post Road Urban Renewal Plan in conformance with the *PlanDSM: Creating Our Tomorrow Plan*.

Motion passed: 10-0

Respectfully submitted,

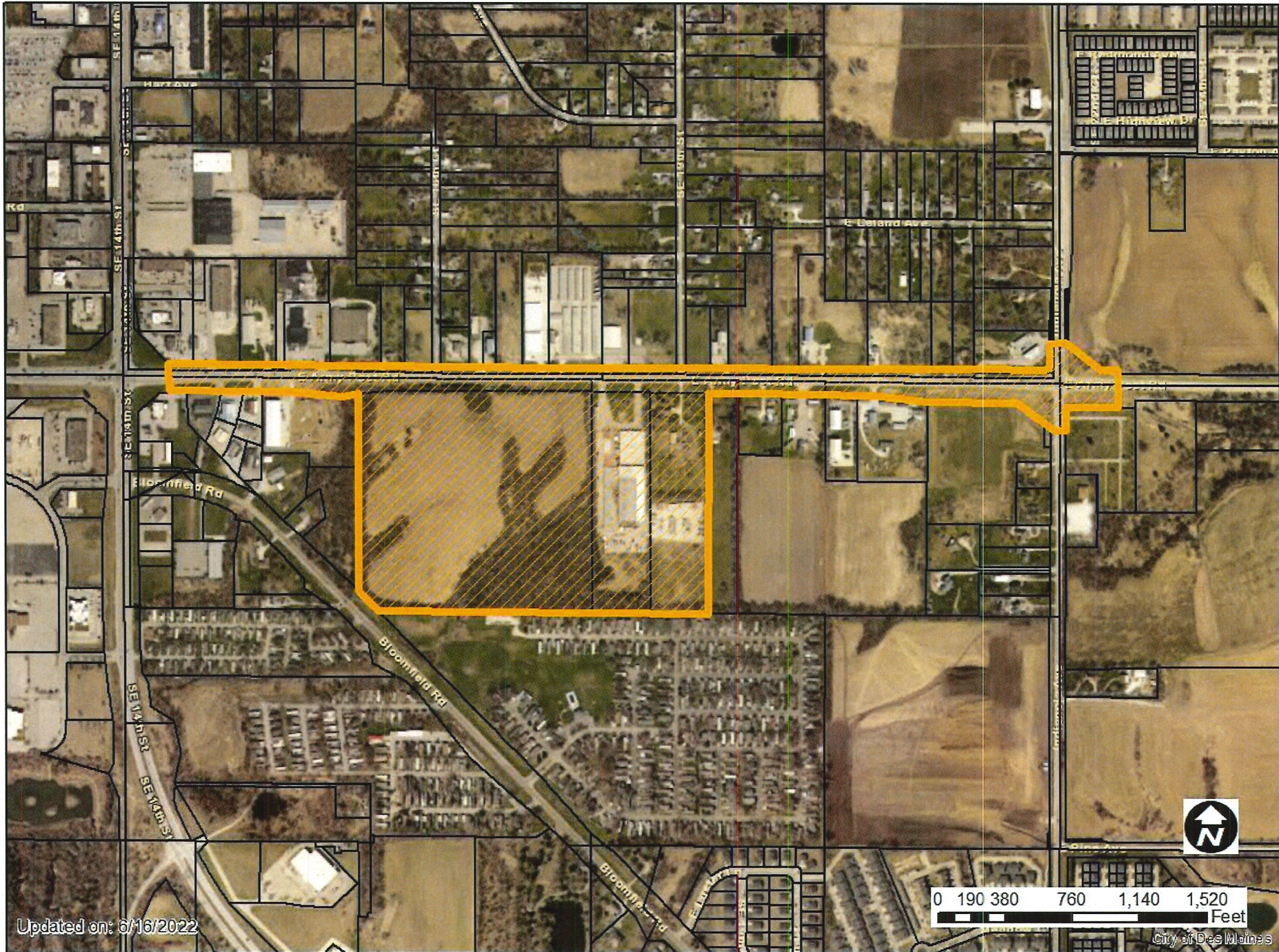
A handwritten signature in blue ink, appearing to read "Jason Van Essen".

Jason Van Essen, AICP
Planning & Urban Design Administrator

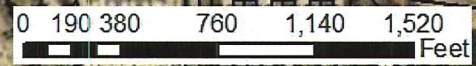
JMV:tjh

East Army Post Road Urban Renewal Plan

ZONG-2022-000060



Updated on: 6/16/2022



City of Des Moines

1 inch = 721 feet

Prepared by: Chandler Poole, 602 Robert D. Ray Drive, Des Moines, IA 50309 Phone: 515-283-4004
 Return Address: City Clerk – City Hall, 400 Robert D. Ray Drive, Des Moines, IA 50309
 Taxpayer: No change
 Title of Document: East Army Post Road Urban Renewal Plan
 Grantor/Grantee: City of Des Moines, Iowa
 Legal Description: See Exhibit "A" at page 11, below

EAST ARMY POST ROAD URBAN RENEWAL PLAN

City of Des Moines, Iowa

| | |
|------------------------------------|--|
| Urban Design Review Board Action: | |
| Taxing Entities Consultation: | |
| Plan and Zoning Commission Action: | |
| City Council Approval: | |

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I. INTRODUCTION

A. General Description of the East Army Post Road Urban Renewal Area

The general location and boundary of the East Army Post Road Urban Renewal Area is shown on *Map 1 – Boundary of Urban Renewal Area*.

This Urban Renewal Area consists of approximately 77 acres, with 38 acres currently being used as agricultural land. It is comprised of three parcels (1717, 1825, and 1895 East Army Post Road) and the city rights-of-way along East Army Post Road that run from just east of SE 14th Street to just east of Indianola Avenue.

The Plan Area includes properties with direct frontage on East Army Post Road and incorporates elements of one (1) Recognized Neighborhood Association (Easter Lake).

The Urban Renewal Area is more specifically described in the accompanying *Appendix A - Legal Description*.

B. Purpose of the Urban Renewal Plan

The purpose of the East Army Post Road Urban Renewal Plan is to encourage the removal and redevelopment of blighted, obsolete, and underutilized property within the Urban Renewal Area; to facilitate the development and re-development of commercial uses to create and retain jobs in the City of Des Moines and to activate new economic investment leading to increased taxable valuation. The City of Des Moines believes that the designation of the Urban Renewal Area and the adoption of this Plan will strengthen and revitalize the local economy through:

1. Guiding the development of the Urban Renewal Area in a manner that is consistent with the Proposed Land uses of the Comprehensive Plan, and that provides for the physical and economic enhancement of the area.
2. Providing for planned and unified development of commercial construction or rehabilitation.
3. Creating a safe and attractive physical environment through the construction and installation of necessary infrastructure and other public improvements or actions supportive of the Urban Renewal Area.
4. Creation of financial incentives as necessary to remove blighted properties and to encourage new businesses to invest in the Urban Renewal Area.
5. Retaining and creating quality permanent employment opportunities for residents.
6. Directing new growth and redevelopment to an identified neighborhood node based on proximity to transit, shopping, services, and public amenities.
7. Providing safe and reliable public infrastructure and improved utilities for current residents.

8. Expanding the property tax base of the Urban Renewal Area, and subsequently contributing to the economic betterment of the entire City of Des Moines.
9. Creating additional vitality to the area for residents and visitors through redevelopment of existing properties.

C. 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. After a comprehensive plan for the municipality has been adopted, the municipality may prepare, adopt, and implement an urban renewal plan for the purpose of rehabilitation, conservation, development, redevelopment, or a combination thereof, of a designated urban renewal project area to promote the public health, safety, or welfare of the residents of this municipality.

On April 25, 2016 by Roll Call 16-0717, the City Council of the City of Des Moines adopted the *PlanDSM, Creating our Tomorrow* as its comprehensive plan. This comprehensive plan designates the future land uses included in this Urban Renewal Plan as a combination of Community Mixed Use, Neighborhood Mixed Use, and Low Density Residential, as shown on *Map 3 – PlanDSM Future Land Use Map*.

For the reasons set forth below, the proposed East Army Post Road Urban Renewal Area qualifies for designation as an urban renewal area on the basis of economic development. Investment is desired in this underutilized area to promote economic development by removing blighted, obsolete and underutilized properties to increase land values and the creation of new jobs for the neighborhood residents. But for tax increment financing, new investment in the area will not take place.

II. BACKGROUND INFORMATION

A. General Information

The area has been a rural fringe area that was annexed by the city in the late 1980s. The rural nature of the commercial development is evident in lot size, shape, and building development. There are large, deep lots with minimal width allowing for small buildings and little building coverage. Commercial development has been slow to move east of SE 14th Street which has resulted in development pressure for new development along East Army Post Road.

There is limited access to infrastructure in the corridor as sanitary sewer exists on the westernmost and easternmost areas of the Urban Renewal Plan area. Most of the parcels adjacent to the Urban Renewal Plan are on septic systems. East Army Post Road is a two-lane rural width highway that needs modernization.

These reasons of obsolete parcel size and shape, obsolete buildings, and the lack of infrastructure will continue to hold back development in this area. But for Tax Increment Financing being available to incentivize a developer, this area will remain underdeveloped and a blight on the surrounding area, negatively affecting the adjacent commercial areas.

B. Existing Land Use

The East Army Post Road Urban Renewal Area includes city rights-of-way, agricultural commercial and industrial uses. The land outside of the City ROW has a building coverage of only 3.29%, with the rest being vacant underutilized land. These uses are shown in *Map 2 – Existing Land Use*.

C. Conformance with the City’s Comprehensive Land Use Plan

A prerequisite for an urban renewal plan is a comprehensive land use plan for the municipality. All goals and objectives of the East Army Post Road Urban Renewal Plan are in conformance with the City’s Comprehensive Plan, *PlanDSM*, which was adopted by the City Council on April 25, 2016, by Roll Call No. 16-0717.

Plan DSM shows the land outside the street rights-of-way designated as Business Park, Industrial, Community Mixed-Use, Medium Density Residential, and Neighborhood Mixed Use. The western portion of the Plan Area is within a regional node and the eastern ROW portion of the Plan Area is part of a neighborhood node. Depending on the type of development projects that eventually occur throughout the Plan Area, a Land Use amendment may be required. *Map 3-PlanDSM Future Land Use Map* further illustrates the proposed land uses for this general area.

While the comprehensive plan illustrates proposed land uses for the City, it also provides over-arching goals for the development of the City. This Urban Renewal Plan will also include goals from the various sections of the PlanDSM document including the following:

Economic Development:

- Goal 1: Foster economic prosperity and stability by retaining existing businesses and recruiting new businesses;
- Goal 2: Focus economic development efforts in strategic locations for continued vitality and growth; and
- Goal 4: Foster a sustainable economy.

Land Use:

- Goal 2: Direct new growth and redevelopment to areas with existing infrastructure and nodes and corridors based on proximity to transit, shopping, services and public amenities; and
- Goal 7: Maintain the existing industrial designated areas to provide appropriate locations for industrial use.

Transportation:

- Goal 6: Ensure freight facilities continue to meet the needs of the local economy while being sensitive to impacts on surrounding land uses; and

- Goal 8: Plan for future changes in transportation demand, technology, and innovation.

Public Infrastructure and Utilities:

- Goal 1: Provide safe and reliable public infrastructure and utilities for current residents as well as future development needs.

Community Character and Neighborhoods:

- Goal 3: Promote the redevelopment and revitalization of neighborhood nodes.

All goals and objectives of the East Army Post Road Urban Renewal Plan are in conformance with the City’s Comprehensive Plan, *Plan DSM*, which was adopted by the City Council on April 25, 2016, by Roll Call No. 16-0717.

Possible additional amendments to *Plan DSM* may be identified through the ongoing planning process for the implementation of this Plan.

D. Conformance with the City’s Zoning Requirements

The Plan Area (exclusive of the street rights-of-way) is zoned as EX Mixed-Use which is shown on *Map 4 - Existing Zoning*. Possible additional amendments to the Zoning Ordinance may be identified through the ongoing planning process for the implementation of this Plan.

The parcels along East Army Post Road are zoned EX Mixed-Use with possible additional amendments to the Zoning Ordinance may be identified through the ongoing planning process for the implementation of this Plan.

From the City’s Zoning Ordinance (Chapter 134, Article 2.2.2):

Mixed-Use (X) Districts

Establish an appropriate mix of building forms and uses to enhance existing and create new compact, walkable nodes, and corridors throughout the city:

EX Mixed-Use is intended for locations and corridors with a mix of light industrial and heavier commercial uses, accommodating higher levels of vehicular traffic than MX districts and a predominance of mid-scale employment uses, such as office, low intensity industrial, and warehouse spaces associated with offices.

E. Recognized Neighborhood Organizations

The proposed Urban Renewal Area is centered on East Army Post Road and includes properties with direct frontage on East Army Post Road which incorporates elements of one (1) Recognized Neighborhood Association (Easter Lake) that has been recognized by the City Council as having met the specific minimum standards of a neighborhood organization and continue to communicate regularly with the City of Des Moines.

F. Recognition of Economic Development Conditions

The Area qualifies for designation as an Urban Renewal Area based on a need for economic development due to existing negative conditions: obsolete, inefficient development patterns, and lack of investment in the commercial corridor that are impacting the adjacent

commercial areas and will accelerate the decline but for the utilization of TIF to stabilize and encourage new investment and development in the commercial areas.

The area has been a rural fringe area that was annexed by the city in the 1980's and the rural nature of the commercial development is evident in lot size, shape and building development. There are large, deep lots with minimal width allowing for small buildings and little building coverage. Commercial development has been slow to move east of SE 14th Street to bring positive development pressure for new efficient development along East Army Post Road.

All these conditions have the impact of pulling down the economic viability of the Area, as well as neighboring properties and creating a need for revitalization to provide a stabilization of the commercial area.

III. URBAN RENEWAL PLAN ELEMENTS

A. Plan Goals and Objectives

The primary goal for the East Army Post Road Urban Renewal Plan is to encourage and assist with the redevelopment and/or removal of blighted, obsolete, and underutilized properties within the urban renewal area, facilitate the development and re-development of commercial properties for the creation and retention of jobs in the City of Des Moines, increase the overall tax base, and to maximize the return in future investment in road and public utility networks. Overarching goals identified from the City's Comprehensive Plan, *PlanDSM*, that are consistent goals for this Plan include:

- Goal 1: Foster economic prosperity and stability by retaining existing businesses and recruiting new businesses.
- Goal 2: Focus economic development efforts in strategic locations for continued vitality and growth.

Objectives for the plan include:

- Encourage and facilitate high quality commercial uses and the associated employment and economic development opportunities within the Plan area.
- Encourage continued redevelopment and enhancement of regional nodes emphasizing a mix of uses, ease of access by transit, enhanced walkability, and high density residential.
- Capitalize on the City's locational strengths geographically and as a hub in the regional transportation network, including, but not limited to, development of a transload facility and expansion of the Des Moines International Airport.
- Identify, reduce impediments, and enhance the current freight network, including air, rail, and truck freight options.
- Continue to support the designation of Highway 5 as an interstate highway.

- Utilize tax incentives, including tax abatement and tax increment financing (TIF), to retain and recruit businesses, and encourage higher quality building and site plan design.
- Support revitalization of obsolete commercial locations and identify alternative land uses for locations that are both functionally and locationally obsolete.
- Support industrial growth and expansion.
- Identify infrastructure, transportation, and connectivity needs in strategic areas and work with the appropriate agencies to serve the needs of existing development and ensure availability for new development.
- Assist redevelopment and infill development on sites with adequate infrastructure through incentives, intergovernmental coordination, and facilitated processes.
- Invest in, and manage, public infrastructure systems to support development and redevelopment in targeted areas.
- Require new development to provide adequate public infrastructure to serve the needs of the development and ensure facilities are sized and staged to provide for additional development beyond its boundaries.
- Adequately plan for maintenance, repair, upgrades, and replacement of City infrastructure. Align with neighborhood revitalization and economic development programs. Coordinate infrastructure work with other department work programs and outside utilities.
- Improve access to jobs in neighborhood nodes and corridors through economic development and transportation connections to other employment centers.
- Coordination of resources to attract new, quality economic development investment.
- Ensure new development is high quality, sustainable, and provides adequate parking and pedestrian connections and access.
- Encourage the incorporation of long-term sustainability into site development and building construction, particularly the efficient use of energy in heating, ventilation, and cooling system design.
- Encourage the use of low-impact development strategies and on-site stormwater management best practices in the Plan area.
- Further Des Moines' revitalization efforts to improve the strength, stability, and vitality of the area
- Promote the redevelopment and revitalization of this neighborhood node and corridor.

B. 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 East Army Post Road Urban Renewal Area through, among other things, the following public purpose activities:

- Provision of technical support in furtherance of this Plan;
- Evaluation of properties' potential for development and redevelopment purposes, including but not limited to activities such as appraisals and architectural, engineering, and environmental studies;
- Improvement, installation, construction and reconstruction of streets, utilities, and other public improvements and rights-of-way;
- Enforcement of applicable local, state, and federal laws, codes, and regulations; and
- 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.

C. 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' 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 conform to *Plan DSM* and 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.

D. Financial Condition Report

A portion of the Urban Renewal Area will be designated as a tax increment district. A financial condition report is included as *Appendix B - Financial Condition Report*. 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.

IV. URBAN RENEWAL PLAN IMPLEMENTATION

The City of Des Moines will take necessary action to achieve the goals and objectives of the East Army Post Road Urban Renewal Plan. This will include involvement in the following activities:

A. 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.

B. 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.

C. 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 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:

1. Tax Increment Financing. With parcels having obsolete size, width, buildings, and a lack of public infrastructure, the City believes that the use of tax increment revenues to assist in the financing of new development or redevelopment in the East Army Post Road Urban Renewal Area is necessary in the public interest to achieve the objectives of this Plan. But for 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, than would otherwise be available if this Plan were not implemented.
2. 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. Loans or grants to qualified businesses for redevelopment of property within the East Army Post Road Urban Renewal Area in conformance with this Plan.

V. DURATION OF URBAN RENEWAL PLAN

Because the City is pursuing an economic development designation for this area, the plan for the East Army Post Road Urban Renewal Area shall have an expiration date as determined per Iowa Code Section 403.17. Any changes to the expiration date shall be caused by action from the City or by changes to the Iowa Code that regulates the length of terms for an Urban Renewal Area in the State of Iowa.

The East Army Post Road Urban Renewal Area shall continue in effect until terminated by action of the City Council of the City but in no event before the City has received full reimbursement from incremental taxes of its advances to carry out the objectives of the Plan.

VI. 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.

VII. AMENDMENT OF URBAN RENEWAL PLAN

The City of Des Moines may amend this Plan from time to time in accordance with applicable state and local law. The amendments may include additional objectives, projects, revised land use regulations, revised boundaries, and/or property to be acquired and/or disposed of for redevelopment.

The City Council shall request public input from citizens and stakeholders including, but not limited to, designated neighborhood group(s) and City-appointed committees as appropriate upon any proposed amendment to this Plan.

Appendix "A"

Legal Description – East Army Post Road Urban Renewal Area

A PART OF THE NORTH QUARTER (N 1/4) OF SECTION 35, TOWNSHIP 78 NORTH, RANGE 24 WEST OF THE 5TH P.M., AND A PART OF THE SOUTH QUARTER (S 1/4) OF SECTION 26, TOWNSHIP 78 NORTH, RANGE 24 WEST OF THE 5TH P.M., AND A PART OF THE SOUTHWEST QUARTER (SW 1/4) OF SECTION 25, TOWNSHIP 78 NORTH, RANGE 24 WEST OF THE 5TH P.M., AND A PART OF THE NORTHWEST QUARTER (NW 1/4) OF SECTION 36, TOWNSHIP 78 NORTH, RANGE 24 WEST OF THE 5TH P.M., ALL NOW INCLUDED IN AND FORMING A PART OF THE CITY OF DES MOINES, POLK COUNTY, IOWA, AND MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE SOUTH RIGHT OF WAY LINE OF EAST ARMY POST ROAD AND THE WEST LINE OF THE NORTHEAST QUARTER (NE 1/4) OF THE NORTHWEST QUARTER (NW 1/4) OF SAID SECTION 35; THENCE WEST ALONG SAID SOUTH RIGHT OF WAY LINE OF EAST ARMY POST ROAD TO THE EAST RIGHT OF WAY LINE OF SOUTHEAST 14TH STREET (US HIGHWAY 69); THENCE NORTH ALONG SAID EAST RIGHT OF WAY LINE OF SOUTHEAST 14TH STREET (US HIGHWAY 69) TO THE NORTH RIGHT OF WAY LINE OF EAST ARMY POST ROAD; THENCE EAST ALONG SAID NORTH RIGHT OF WAY LINE OF EAST ARMY POST ROAD TO THE EAST RIGHT OF WAY LINE OF INDIANOLA AVENUE; THENCE SOUTH ALONG SAID EAST RIGHT OF WAY LINE OF INDIANOLA AVENUE TO SAID SOUTH RIGHT OF WAY LINE OF EAST ARMY POST ROAD; THENCE WEST ALONG SAID SOUTH RIGHT OF WAY LINE OF EAST ARMY POST ROAD TO EAST LINE OF THE WEST HALF (W 1/2) OF THE NORTHWEST QUARTER (NW 1/4) OF THE NORTHEAST QUARTER (NE 1/4) OF SAID SECTION 35; THENCE SOUTH ALONG SAID EAST LINE OF THE WEST HALF (W 1/2) OF THE NORTHWEST QUARTER (NW 1/4) OF THE NORTHEAST QUARTER (NE 1/4) OF SAID SECTION 35 TO THE SOUTH LINE OF THE NORTHWEST QUARTER (NW 1/4) OF THE NORTHEAST QUARTER (NE 1/4) OF SAID SECTION 35; THENCE WEST ALONG THE SOUTH LINE OF THE WEST HALF (W 1/2) OF THE NORTHWEST QUARTER (NW 1/4) OF THE NORTHEAST QUARTER (NE 1/4) OF SAID SECTION 35 AND ALONG THE SOUTH LINE OF THE NORTHEAST QUARTER (NE 1/4) OF THE NORTHWEST QUARTER (NW 1/4) OF SAID SECTION 35 TO THE SOUTHWEST CORNER OF THE NORTHEAST QUARTER (NE 1/4) OF THE NORTHWEST QUARTER (NW 1/4) OF SAID SECTION 35; THENCE NORTH ALONG SAID WEST LINE OF THE NORTHEAST QUARTER (NE 1/4) OF THE NORTHWEST QUARTER (NW 1/4) OF SAID SECTION 35 TO THE POINT OF BEGINNING.

Appendix “B”
Financial Condition Report
East Army Post Road Urban Renewal Area

E. APPENDIX C – FINANCIAL CONDITION REPORT - EAST ARMY POST ROAD URBAN RENEWAL AREA

The City has, by Ordinance No. [REDACTED] passed _____, 2022 designated the East Army Post Road Urban Renewal Area as an urban renewal area in which "Tax Increment Financing," as defined in Chapter 403, Code of Iowa, may be utilized. The expected financial undertakings and tax increment revenue with regard to this urban renewal area are discussed in this Financial Condition Report.

Introduction

Urban renewal is one of the few ways an Iowa municipality can undertake and financially assist community revitalization and economic development. In Des Moines, especially in the older areas with limited redevelopment opportunities, urban renewal is an important way cities can assist the private sector in the creation and retention of jobs and in the development and redevelopment of blighted, vacant, and underutilized parcels that would not occur without the City's assistance.

Urban renewal can provide flexibility in phasing development over a long-term period. In Iowa, a city may designate an "urban renewal area" by following the requirements specified in Chapter 403, Code of Iowa, upon finding that the area qualifies for designation as a slum area, a blighted area or an economic development area as those terms are defined in Iowa Code §403.17. The East Army Post Road Urban Renewal Plan Area was designated by the City as an urban renewal area upon a finding by the City Council that the area qualified as an economic development area.

As part of the designation of an urban renewal area, the city council must adopt an urban renewal plan. The plan text includes a legal description and map of the area; a description of existing land uses and conditions; the actions the city proposes to undertake in the area such as public improvements, public services, the sale, or purchase of property; and any conditions the city may want to impose on the development projects. The Des Moines City Council adopted the original Urban Renewal Plan for the East Army Post Road Urban Renewal Area on [REDACTED], 2022, by Roll Call No. 21-XXXX. If the city wants to undertake an action not specified in the urban renewal plan, it must adopt the proposed change by an amendment. Before the urban renewal plan or any amendment can be adopted by the city council, notice of a public hearing on the plan or amendment must be published in the newspaper.

In addition, if the urban renewal area uses tax increment financing, a consultation and comment period with other taxing entities is offered prior to the public hearing. This document has been prepared in response to this consultation requirement.

Tax Increment Financing

Tax increment financing ("TIF") is a financing tool that is only available in designated urban renewal areas. It allows the use of a portion of the future property tax revenues of all taxing jurisdictions (the "Tax Increment Revenue") created by an increase in the total assessed value of all the taxable property within the urban renewal area, to be used to fund obligations incurred by the city in implementing the urban renewal plan.

The Tax Increment Revenue can only be used for the activities or items authorized in the urban renewal plan. If the Tax Increment Revenue is not used to pay eligible expenses incurred in the implementation of the urban renewal plan, the revenue is released back to general revenues of the local taxing jurisdictions. On March 24, 1997, the Des Moines City Council adopted a policy that commencing in FY1997/98, the City will use, and has used, no more than 75% of the total annual Tax Increment Revenues generated by all urban renewal areas. This assures that the local taxing entities receive the benefit of at least 25% any future growth in the valuation of taxable properties in the urban renewal areas utilizing tax increment financing.

Current TIF Bonding and Outstanding Indebtedness

Overall, as of July 1, 2021, the City of Des Moines has approximately \$487.5 million in general obligation debt. Of this debt, approximately \$141.7 million is being serviced with Tax Increment Revenues from various urban renewal areas. The State of Iowa Constitutional debt-limit for general debt obligations by the City of Des Moines is approximately \$725.3 million. The East Army Post Road Urban Renewal Area does not have any outstanding debt arising from the issuance of tax increment notes or bonds.

Property Tax Assessments and Revenues

The base assessed value used to calculate the projected Tax Increment Revenue for the East Army Post Road Urban Renewal Area will be determined based upon the timing for the first certification of debt for this Area. As of January 1, 2021, there is approximately \$2.1 million in assessed value within the East Army Post Road Urban Renewal Plan Area. This section of the financial condition report will be updated to reflect base valuation information once debt has been certified and a base valuation date has been determined.

Future Financial Condition

Shown below is a table that projects estimated property tax revenues and expenditures from the East Army Post Road Urban Renewal Area. In this Financial Condition Report, the estimated property tax revenues are based on a property tax levy rate of \$37.35802/\$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.)

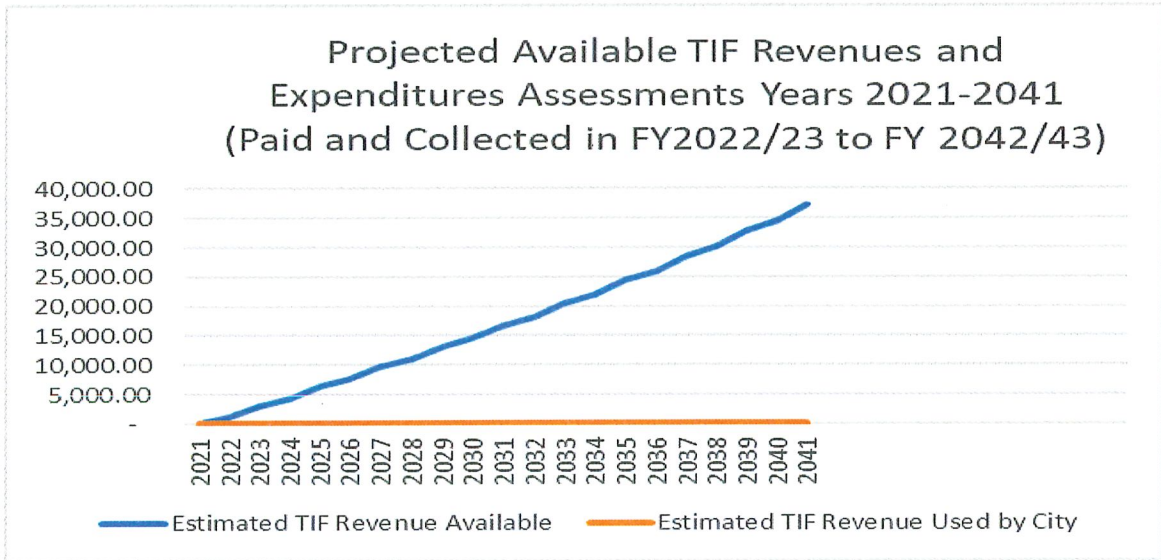
The revenue projections shown are based on increases in property tax revenues conservatively estimated with an annual growth rate of 1.5%. The Tax Increment Revenue generated by the

assessed value existing on any January 1st is paid and collected in the fiscal year commencing 18 months later.

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

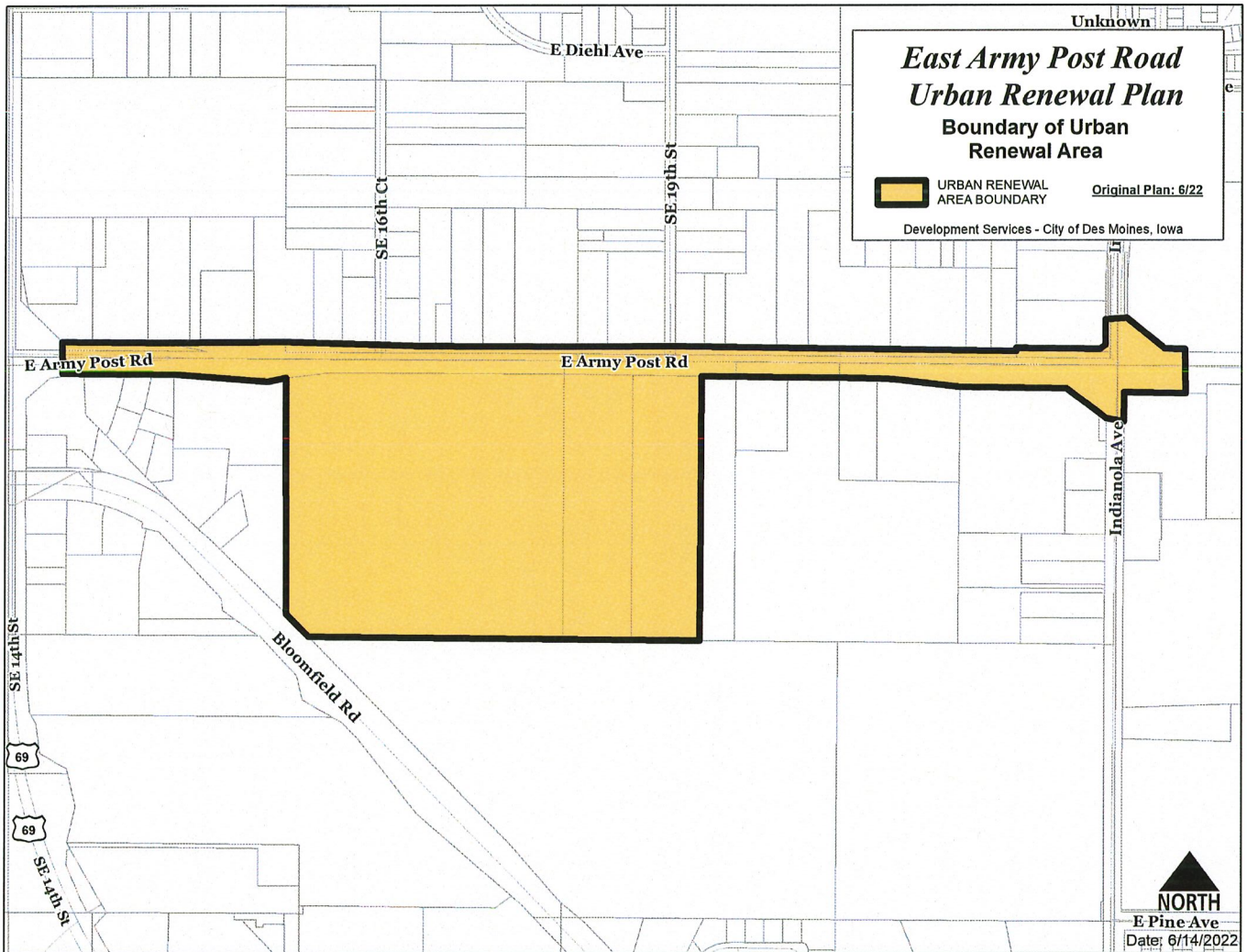
| Assessment Year | Base Valuation | Total Assessed Value | New Increment | TIF Valuation Used | Estimated TIF Revenue Available | Estimated TIF Revenue Used by City | Percent Valuation Used |
|-----------------|----------------|----------------------|---------------|--------------------|---------------------------------|------------------------------------|------------------------|
| 2021 | 2,072,110 | 2,072,110 | - | - | - | - | 0% |
| 2022 | 2,072,110 | 2,103,192 | 31,082 | - | 1,149 | - | 0% |
| 2023 | 2,072,110 | 2,155,771 | 83,661 | - | 3,094 | - | 0% |
| 2024 | 2,072,110 | 2,188,108 | 115,998 | - | 4,289 | - | 0% |
| 2025 | 2,072,110 | 2,242,811 | 170,701 | - | 6,312 | - | 0% |
| 2026 | 2,072,110 | 2,276,453 | 204,343 | - | 7,556 | - | 0% |
| 2027 | 2,072,110 | 2,333,364 | 261,254 | - | 9,661 | - | 0% |
| 2028 | 2,072,110 | 2,368,365 | 296,255 | - | 10,955 | - | 0% |
| 2029 | 2,072,110 | 2,427,574 | 355,464 | - | 13,144 | - | 0% |
| 2030 | 2,072,110 | 2,463,987 | 391,877 | - | 14,491 | - | 0% |
| 2031 | 2,072,110 | 2,525,587 | 453,477 | - | 16,769 | - | 0% |
| 2032 | 2,072,110 | 2,563,471 | 491,361 | - | 18,170 | - | 0% |
| 2033 | 2,072,110 | 2,627,558 | 555,448 | - | 20,539 | - | 0% |
| 2034 | 2,072,110 | 2,666,971 | 594,861 | - | 21,997 | - | 0% |
| 2035 | 2,072,110 | 2,733,645 | 661,535 | - | 24,462 | - | 0% |
| 2036 | 2,072,110 | 2,774,650 | 702,540 | - | 25,979 | - | 0% |
| 2037 | 2,072,110 | 2,844,016 | 771,906 | - | 28,544 | - | 0% |
| 2038 | 2,072,110 | 2,886,676 | 814,566 | - | 30,121 | - | 0% |
| 2039 | 2,072,110 | 2,958,843 | 886,733 | - | 32,790 | - | 0% |
| 2040 | 2,072,110 | 3,003,226 | 931,116 | - | 34,431 | - | 0% |
| 2041 | 2,072,110 | 3,078,307 | 1,006,197 | - | 37,207 | - | 0% |

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



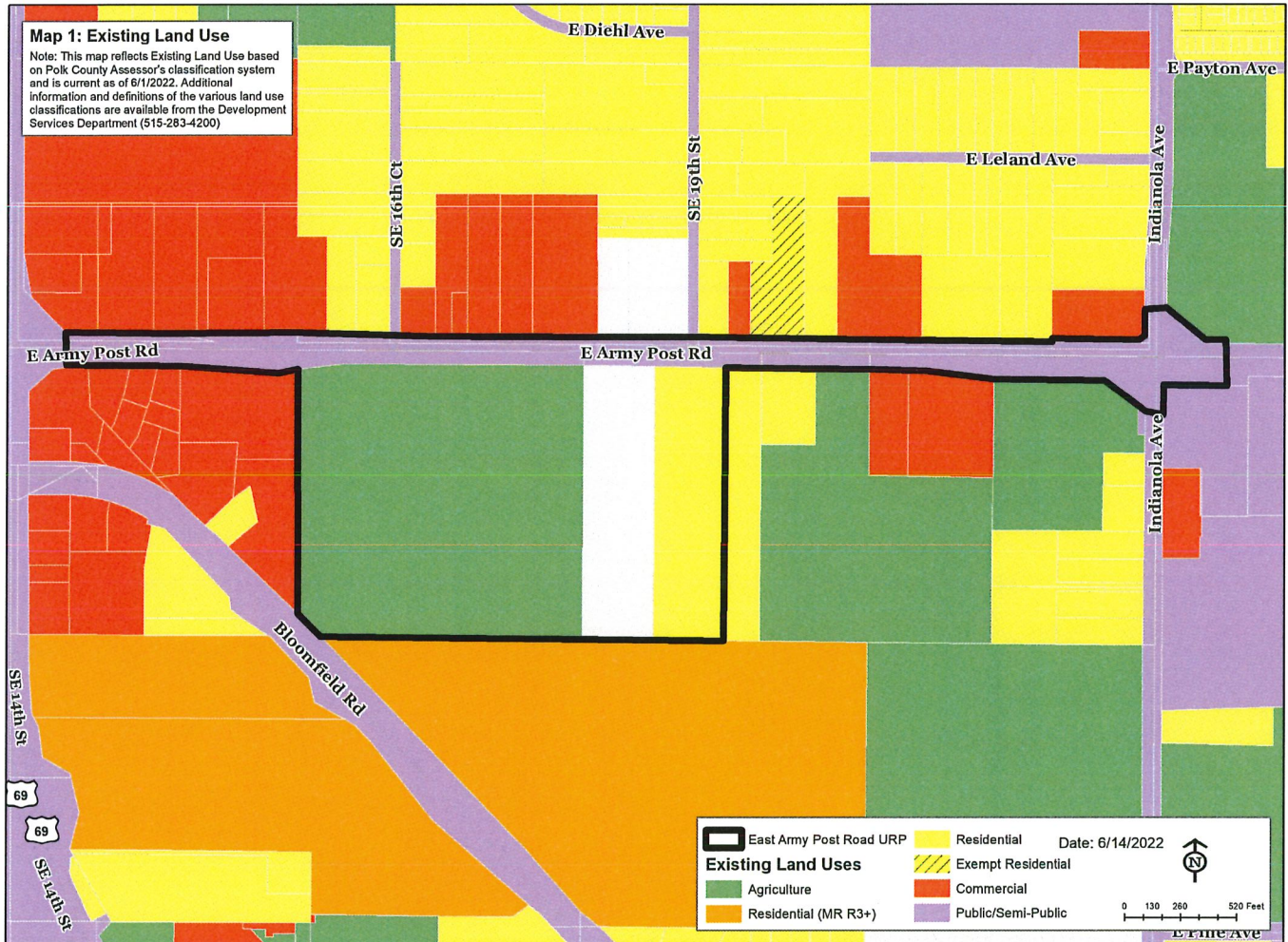
This information will change as future projects, subject to the urban renewal amendment process with the individual review of each amendment and projects by the City Council and other authorities as directed by the Code of Iowa, are approved.

East Army Post Road Urban Renewal Area



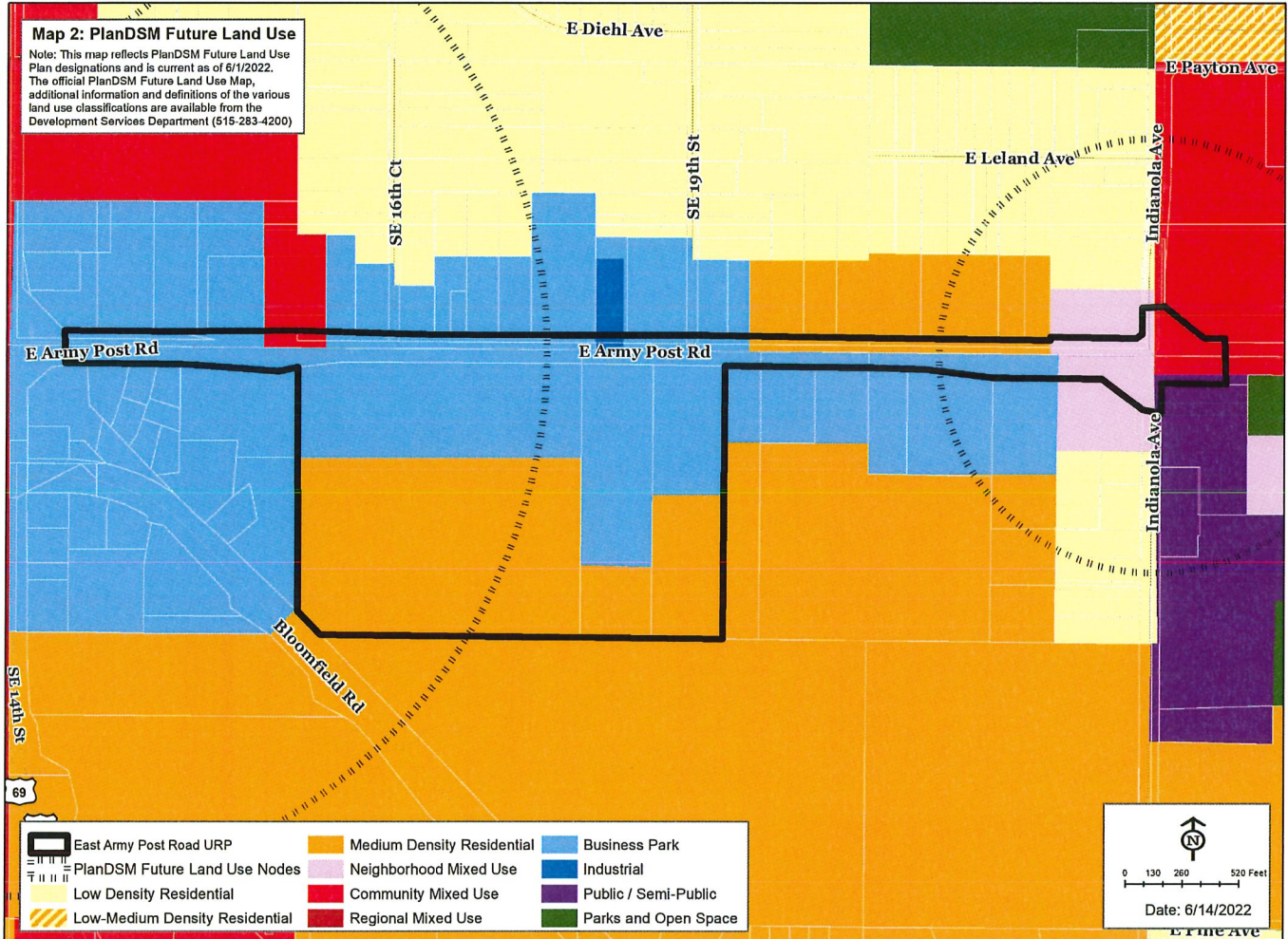
Map 2 – Existing Land Use

East Army Post Road Urban Renewal Plan



Map 3 - Plan DSM Future Land Use Map

East Army Post Road Urban Renewal Plan



Map 4 - Existing Zoning

East Army Post Road Urban Renewal Plan

