



**Roll Call Number**

21-1844

**Agenda Item Number**

53 ✓

**Date** December 6, 2021

**RESOLUTION CLOSING HEARING ON THE PROPOSED DOUGLAS AVENUE  
URBAN RENEWAL PLAN AND ADOPTING THE URBAN RENEWAL PLAN**

WHEREAS, the proposed Douglas Avenue Urban Renewal Area consists of consists of approximately 105 acres and is generally located at the intersection of Douglas Avenue and Martin Luther King Jr Parkway, as shown in Exhibit B, Appendix “A”; and,

WHEREAS, the City Manager has prepared the Douglas Avenue Urban Renewal Plan (the “Urban Renewal Plan”), an urban renewal plan for an urban renewal area known as the Douglas Avenue Urban Renewal Area. The Urban Renewal Plan is on file and available for public inspection in the office of the City Clerk and attached as Exhibit B; and,

WHEREAS, the Urban Renewal Plan seeks to enhance private development within the proposed Douglas Avenue Urban Renewal Area through provision of infrastructure improvements and 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 October 18, 2021, by Roll Call No. 21-1557, the City Council resolved that a public hearing on the proposed Urban Renewal Plan be held on December 6, 2021; and,

WHEREAS, on October 19, 2021, the Urban Design Review Board reviewed the proposed Urban Renewal Plan and recommended approval by a vote of 7 to 0; and,

WHEREAS, on November 4, 2021, the City Plan and Zoning Commission reviewed the proposed Urban Renewal Plan for conformity with PlanDSM: Creating Our Tomorrow Plan, the adopted comprehensive plan for the development of the City as a whole and found the proposed Urban Renewal Plan in conformity with the comprehensive plan; and,

WHEREAS, on November 23, 2021, notice of this public hearing was published in the Des Moines Register, as required by Section 403.5(3) of the Iowa Code as shown in the attached affidavit labelled as Exhibit A; and,

WHEREAS, notice was given by ordinary mail to the Des Moines Independent Community School District, Southeast Polk Community School District, Des Moines Area Community College, and Polk County of a consultation meeting to be held in Des Moines City Hall and virtually on November 9, 2021, which was attended by Polk County; and,



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WHEREAS, the City has received no requests from the Des Moines Independent Community School District, Southeast Polk Community School District, Des Moines Area Community College, or Polk County for any modification to the division of revenue from the tax increment proposed by the Urban Renewal Plan; and,

WHEREAS, the Douglas Avenue Urban Renewal Area does not contain any property assessed as agricultural property; and,

WHEREAS, the public hearing has now been opened and all persons and organizations desiring to be heard regarding the Urban Renewal 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 Douglas Avenue Urban Renewal Plan is hereby closed.

2. The Plan and Zoning Commission determination that the Douglas Avenue Urban Renewal Plan is in conformance with the PlanDSM: Creating our Tomorrow Plan, on November 4, 2021, by a vote of 12-1 was received and filed by the City Council on November 15, 2021 by Roll Call Number 21-1722.

3. Upon consideration of the recommendation of the Plan and Zoning Commission and the recommendations and statements from all other interested parties and organizations, the City Council hereby makes the following findings:

- a) The Urban Renewal Plan conforms to Plan DSM: Creating Our Tomorrow Plan, for the development of the City as a whole.
- b) The Urban Renewal Plan does not provide for the involuntary acquisition of any land by the City and does not identify any land planned for acquisition. However, property 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 Douglas Avenue 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 Urban Renewal Plan and of this Resolution in the office of the Polk County Recorder.

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(Council Communication No. 21- 531 )

MOVED by Gray to adopt.

FORM APPROVED:  
/s/ Thomas G. Fisher Jr.  
Thomas G. Fisher Jr.  
Assistant City Attorney

| COUNCIL ACTION | YEAS | NAYS | PASS | ABSENT |
|----------------|------|------|------|--------|
| COWNIE         | ✓    |      |      |        |
| BOESEN         | ✓    |      |      |        |
| GATTO          | ✓    |      |      |        |
| GRAY           | ✓    |      |      |        |
| MANDELBAUM     | ✓    |      |      |        |
| VOSS           | ✓    |      |      |        |
| WESTERGAARD    | ✓    |      |      |        |
| TOTAL          | 7    |      |      |        |

MOTION CARRIED

APPROVED

T. M. Franklin Cownie Mayor

### 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.

P. Kay Cmelik

City Clerk



November 8, 2021

Communication from the City Plan and Zoning Commission advising that at their November 4, 2021 meeting, the following action was taken regarding a city-initiated request for determination as to whether the proposed Douglas Avenue Urban Renewal Plan is in conformance with the PlanDSM Creating Our Tomorrow Plan.

**COMMISSION RECOMMENDATION:**

After public hearing, the members voted 12-1 as follows:

| Commission Action: | Yes | Nays | Pass | Absent |
|--------------------|-----|------|------|--------|
| Francis Boggus     | X   |      |      |        |
| Dory Briles        | X   |      |      |        |
| Abby Chungath      | X   |      |      |        |
| Kayla Berkson      | X   |      |      |        |
| Chris Draper       |     | X    |      |        |
| Jann Freed         | X   |      |      |        |
| Todd Garner        | X   |      |      |        |
| Johnny Alcivar     | X   |      |      |        |
| Lisa Howard        | X   |      |      |        |
| Carolyn Jenison    | X   |      |      |        |
| William Page       | X   |      |      |        |
| Steve Wallace      | X   |      |      |        |
| Greg Wattier       | X   |      |      |        |
| Emily Webb         |     |      |      | X      |

**APPROVAL** that the Commission find the proposed Douglas Avenue Urban Renewal Plan in conformance with the *PlanDSM: Creating Our Tomorrow Plan*. (10-2021-5.04)

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

Staff recommends that the Commission find the proposed Douglas Avenue 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 Douglas Avenue Urban Renewal Plan (URP).

The proposed urban renewal area consists of approximately 105 acres and is generally located from the 2300 block at the intersection of Euclid Avenue and the Des Moines River through the intersection of Euclid Avenue, Douglas Avenue, and north/south Martin Luther King, Jr. Parkway to the 3200 block at the intersection of Douglas Avenue and Lower Beaver Road.

### II. ADDITIONAL APPLICABLE INFORMATION

1. **Urban Renewal Plan:** The purpose of the Douglas Avenue Urban Renewal Plan is to encourage the removal of and redevelopment of blighted, obsolete, and underutilized property within the Urban Renewal Area, to facilitate the development and re-development of commercial, mixed use and residential uses, to create and retain jobs in the City of Des Moines, to provide a diversity of housing options, and to activate new economic investment leading to increased taxable valuation.
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*, was adopted by the City Council on April 25, 2016, by Roll Call 16-0717. The future land use would show the land outside the street Rights-Of-Way as a mix of Community Mixed Use, Medium Density Residential, and Low Density Residential all within a Community Node. Descriptions of each land use classification are provided below.

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.*

Medium Density Residential:

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

Low Density Residential:

*Areas developed with primarily single family and two family residential units with up to 6 dwelling units per net acre.*

### 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.*

### Development Control Zone

*Areas that are sensitive to development, such as airport runway protection zones, flood hazard areas, etc.*

### Development Reserve

*Accommodates areas within city's corporate limits that are currently underserved or not served by public infrastructure.*

### Community Node

*Mid-sized centers providing a range of daily needs and specialized services within a larger neighborhood context. Consist of a mix of housing, retail, and offices serving a larger population and geographical area than a neighborhood node. May include a shopping district including a grocery and drug store. Residential development including medium and high densities may occur.*

It should be noted that existing buildings located on the east end of the plan area are in an area indicated as "Parks and Open Space/Development Control Zone" due to the proximity to the Des Moines River. The existing buildings in this area are legal non-conforming structures where additional new development and impervious surface area should be restricted, with improvements limited to rehabilitation that includes appropriate flood-hardening or removal of existing flood prone buildings.

This Plan also is consistent with goals from the various sections throughout the *PlanDSM: Creating Our Tomorrow* comprehensive plan, including the following:

#### Housing:

- Goal 1: Provide a diversity of housing options to accommodate residents of all ages, income levels, household sizes, and cultural backgrounds;
- Goal 2: Preserve, maintain, and improve the existing inventory of single-family and multi-family housing;
- Goal 3: Promote sustainable housing development that utilizes existing resources and supports compact, walkable, and bike-able neighborhoods; and
- Goal 4: Support development of and access to quality housing affordable to all income level households.

#### Transportation:

- Goal 3: Provide opportunities for healthy lifestyles through walking as a primary mode of transportation
- Goal 4: Make transit a more attractive option for all City residents;
- Goal 5: Enhance the bicycle network by expanding bicycle facilities that are safe, comfortable, and easily accessible.

#### 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 3: Recognize livability as a key aspect to economic development; and
- Goal 4: Foster a sustainable economy.

Public Infrastructure and Utilities:

- Goal 1: Provide safe and reliable public infrastructure and utilities for current residents as well as future development needs;
- Goal 2: Evaluate capacity for implementation of and adaptation to green infrastructure in the city; and
- Goal 3: Reduce the consumption of energy in City owned buildings.

Community Character and Neighborhoods:

- Goal 1: Embrace the distinct character offered in each of Des Moines' neighborhoods;
- Goal CCN3: Establish a program to encourage public art installations, mural projects, and distinctive landscaping in neighborhood nodes and along corridors;
- Goal 2: Further Des Moines' revitalization efforts to improve the strength, stability, and vitality of all neighborhoods;
- Goal 3: Promote the redevelopment and revitalization of neighborhood nodes and corridors;
- Goal 4: Protect Des Moines' historic and cultural assets that contribute to neighborhood and community identity;
- Goal 5: Expand opportunities for healthy and active living for all residents; and
- Goal 6: Strengthen the walkability and connectivity within and between neighborhoods.

Social Equity:

- Goal 2: Ensure that all residents have convenient access to healthy food, health care, safe environments, and choices for an active lifestyle.

All goals and objectives of the Douglas Avenue Urban Renewal Plan are in conformance with the City's Comprehensive Plan, *PlanDSM: Creating Our Tomorrow*, which was adopted by the City Council on April 25, 2016, by Roll Call No. 16-0717.

Possible additional amendments to *PlanDSM: Creating Our Tomorrow* may be identified through the ongoing planning process for the implementation of this Plan.

**SUMMARY OF DISCUSSION**

Bert Drost presented staff report and recommendation.

**CHAIRPERSON OPENED THE PUBLIC HEARING**

No one was present or requested to speak.



## CHAIRPERSON CLOSED THE PUBLIC HEARING

Chris Draper stated the reason he had this item removed from the consent agenda is that while TIF is frequently used by the City, it's not clear to him that the actual impacts of TIF are in line with the desired outcomes. He is aware of studies that indicate TIF has economic inequity that comes from investment in an area. He would like to see some mechanism within this plan that would ensure it does not result in the TIF inequities.

Greg Wattier asked staff if they have provided this type of TIF analysis information to city council in the past.

Jason Van Essen stated he doesn't remember that specifically. There have been annual presentations and discussions on how TIF works and how the City uses it. Jason stated that Staff can do a couple of different things, such as gathering the available information and providing it to the Commission, or have a future 5:30 PM Commission work session, where OED staff could present an overview.

Chris Draper asked if there is a report that is accessible on what the actual economic benefit has been of our TIF investment?

Glenna Frank stated in addition to serving the Plan and Zoning Commission, she also serves the Economic Development Office as counsel and has some information that might be helpful. She stated that each project that receives TIF has an analysis done. The Finance department and Economic Development Office review its pro forma and a variety of other financial documents relating to each project when recommending a set amount or percentage of TIF to be granted. If it reaches a certain threshold, then it goes to the Debt Review Committee, which is made up of finance and representatives of other departments for their input. When the final project agreement goes to the City council, every council communication is made public on the City's website. Each such document contains a short table that shows the value of the property today, the value of the property with the proposed project, the amount of TIF assistance that will be given, and then the ultimate tax revenue that the City will receive. She believes that's a current 5-, 10-, maybe even 20-year periods showing the anticipated revenue. She doesn't know if this analysis is done on a plan-wide basis but knows that it is done on a project-by-project basis as the project comes for approval. She is not personally aware of studies that provide information on inequities.

Chris Draper asked to review a return on investments analysis for all TIF investments that have been made in the past five years before the Commission determines whether this urban renewal plan in conformance with PlanDSM.

Will Page asked if there is a schedule going forward in the implementation of this plan. He also asked when Council would look at it, when businesses would be able to apply for TIF.

Chandler Poole stated that presenting this plan the Commission is one of the steps that the urban renewal plan needs to go through for approval. He stated that it's likely that Council will consider the plan and establishing the urban renewal area on December 6<sup>th</sup>. This would allow the City to have the ability to work with a developer. Any TIF utilized would be project generated TIF, meaning that there is not money generated until



development is complete and has been assessed. Then the incentive plan kicks in. It will be some time before projects benefit from TIF.

Greg Wattier stated he sees two issues. The first is that this Urban Renewal Plan going to do what it should do. The second is whether it's this Urban Renewal Plan, or any other Urban Renewal Plan, should be looked at from the rear and that data be provided to show that it's provided the economic growth that the City wants. At the moment, the Commission is only charged with determining whether the proposed urban renewal plan is in conformance with the City's land use plan.

Todd Garner asked if the Urban Renewal Plan has been presented to the Urban Design Review Board.

Chandler Poole stated that the Urban Design Review Board voted in support of it on October 19.

Todd Garner stated there have been some really simplified presentations on how TIF has performed in certain TIF districts in Des Moines. He believes there are presentations available that City staff has already done that may be of benefit to the Commission.

Chris Draper asked how long it takes before the City can reasonably evaluate the effectiveness of the Urban Renewal Plan.

Chandler Poole stated he couldn't provide a definitive answer because the City's doesn't know when the first development will hit.

Todd Garner stated it all dependent on the developers coming in and taking advantage of the development agreements.

Chris Draper asked if there is anything we can do to tie in future analysis.

Jason Van Essen stated this is citywide policy issue that should be set by City Council and not just for this specific TIF district. If the Commission is interested, Staff can look into providing that sort of presentation in the future.

Todd Garner stated every project analysis has its own checks and balances to show if the TIF is upside-down or not.

Jason Van Essen stated every development agreement that has a TIF is getting looked at by the Urban Design Review Board and then making a recommendation to City Council. Council has to decide if it is a good deal for Des Moines or not, and then consider each project individually.

Chris Draper stated he is not making comments out of a lack of understanding of the process. A major pillar of Plan DSM is that our investments are sustainably and smartly deployed. It's not clear to him that the data demonstrates an appropriate deployment of this plan.

**COMMISSION ACTION:**

Francis Boggus made a motion that the Commission find the proposed Douglas Avenue Urban Renewal Plan in conformance with the *PlanDSM: Creating Our Tomorrow Plan*.

Motion passed: 12-1

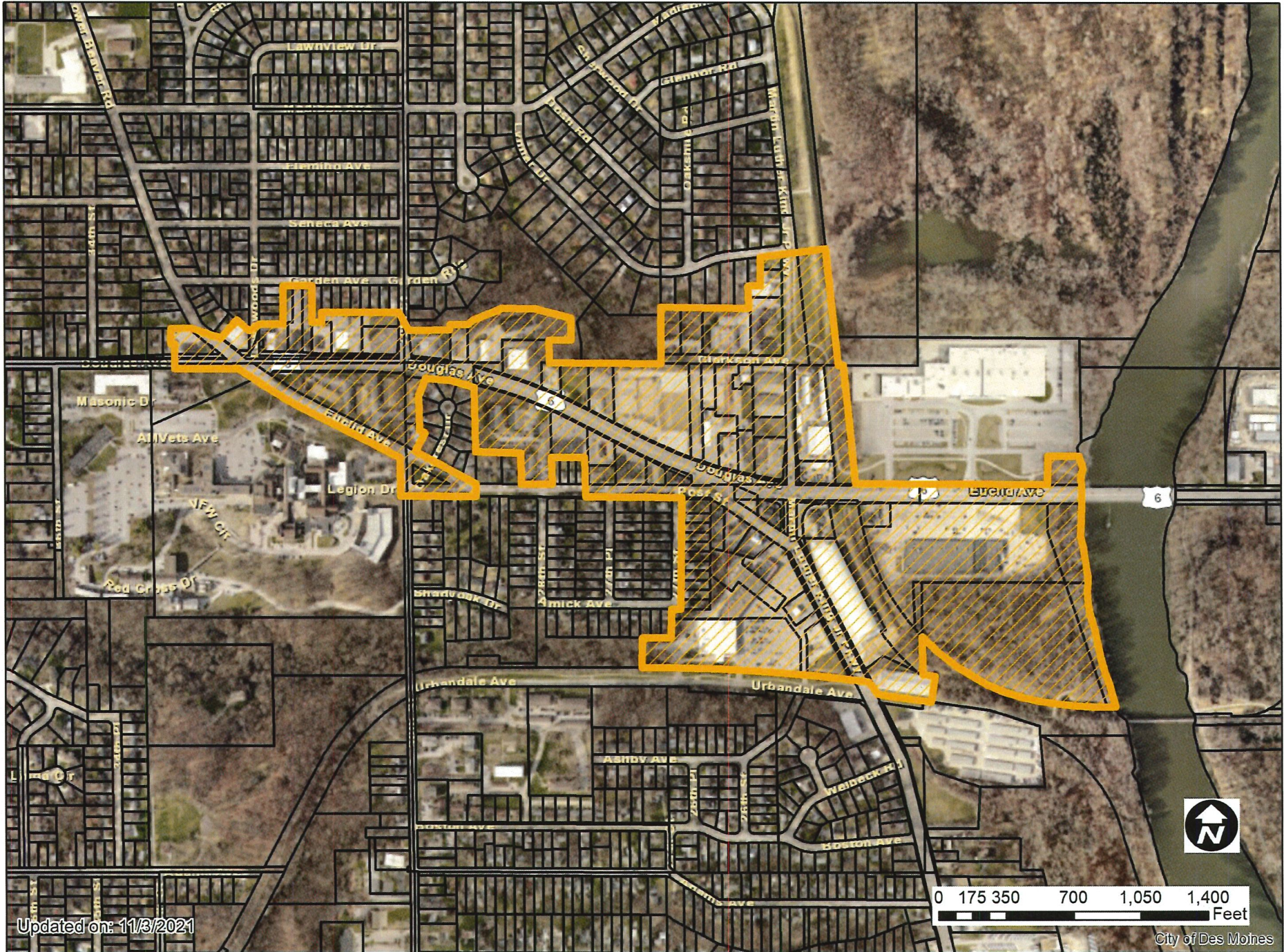
Respectfully submitted,

*Bert Drost*

Bert Drost, AICP  
Planning & Urban Design Administrator

BAD:tjh





Updated on: 11/3/2021

0 175 350 700 1,050 1,400 Feet

City of Des Moines

1 inch = 663 feet

21-1844



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Prepared by: Chandler Poole, 400 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: Douglas Avenue Urban Renewal Plan  
 Grantor/Grantee: City of Des Moines, Iowa  
 Legal Description: See Exhibit "A" at page 10, below

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# DOUGLAS AVENUE URBAN RENEWAL PLAN

## City of Des Moines, Iowa

|                                    |            |
|------------------------------------|------------|
| Urban Design Review Board Action:  | 10/19/2021 |
| Taxing Entities Consultation:      | 11/09/2021 |
| Plan and Zoning Commission Action: | 11/4/2021  |
| City Council Approval:             | 12/06/2021 |

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- Appendix B - Financial Condition Report
- Map 1 - Boundary of Douglas Avenue Urban Renewal Area
- Map 2 - Existing Land Use
- Map 3 - Plan DSM Future Land Use Map
- Map 4 - Existing Zoning



## **I. INTRODUCTION**

### **A. General Description of the Douglas Avenue Urban Renewal Area**

The general location and boundary of the Douglas Avenue Urban Renewal Area is shown on *Map 1 – Boundary of Urban Renewal Area*.

This Urban Renewal Area consists of approximately 105 acres and is generally located at the intersection of Douglas Avenue and Martin Luther King Jr Parkway. The area extends to the west on Douglas Avenue to Lower Beaver Road and to the east along Euclid Avenue to the Des Moines River. It extends north and south along Martin Luther King Jr Parkway from Urbandale Avenue to Lynner Drive.

The Plan Area includes properties with direct frontage on Douglas Avenue, Martin Luther King Jr Parkway, and Euclid Avenue and incorporates elements of two (2) Recognized Neighborhood Associations (Lower Beaver, and Prospect Park).

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 Douglas Avenue Urban Renewal Plan is to encourage the removal of and redevelopment of blighted, obsolete, and underutilized property within the Urban Renewal Area, to facilitate the development and re-development of commercial, mixed use and residential uses, to create and retain jobs in the City of Des Moines, to provide a diversity of housing options, 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. Guidance of the development of the Urban Renewal Area in a manner that is consistent with the Comprehensive Plan, and that provides for the physical and economic enhancement of the area.
2. Providing for planned and unified development of commercial, mixed use and residential 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. Creation of quality permanent employment opportunities for residents.

8. Retaining and creating a diversity of housing options. Preserving, maintaining, and improving existing housing inventories where feasible.
9. Providing safe and reliable public infrastructure and utilities for current residents. Evaluating opportunities to incorporate and implement green infrastructure and reducing the consumption of energy in city-owned buildings and facilities.
10. Expansion of the property tax base of the Urban Renewal Area, and subsequently contributing to the economic betterment of the entire City of Des Moines.
11. Creation of 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 plan designates the area defined in this Plan as a combination of Community Mixed Use, Neighborhood Mixed Use, and Low Density Residential, as shown on *Map 2 - Existing Land Use*.

For the reasons set forth below the proposed Douglas Avenue Urban Renewal Area qualifies for designation as an urban renewal area on the basis that the Area is a blighted area where the land assessed values are more than the building assessed values on over half of the parcels in the proposed area and but for tax increment financing, new investment in the area will not take place.

**II. BACKGROUND INFORMATION**

**A. General Information**

Originally, this area had two very diverse land uses. The lower area along the river was the home of tile manufacturers and mines. While the upper area primarily served an agricultural use. This changed around the turn of the 20<sup>th</sup> century when the Inter-Urban Railway was completed in 1908 and opened the area to development. The Great Depression and the war years stalled new housing development until the early 1950's. Subdivisions of starter homes, built for returning veterans and their new families, sprouted up throughout the neighborhood.



A typical house in the area was a single story, approximately 1,000 square feet, and placed on large lots to allow for home additions in the future.

Commercial development in the northwest portion of Des Moines remained slow until the announcement of Merle Hay Plaza in 1957. This large, regional shopping center propelled commercial and office development along Douglas Avenue. Then in 1958, Douglas Avenue was widened to four lanes. This solidified the corridor as a major East-West thoroughfare in Des Moines. By 1960, 54 businesses and 146 residences existed on Douglas Avenue between the Des Moines River and Merle Hay Road. The completion of Interstate 235 to Interstate 80/35 in 1968 slowly took business interest away from Douglas Avenue. In 1975, the opening of Valley West Mall further negatively impacting the Douglas Avenue corridor.

Efforts to address the decline in the area took off in 2015 when a coalition of area residents, business owners and non-profit organizations formed the Douglas Avenue Coalition to discuss and seek out ways to work together to improve the area. In 2016, the City of Des Moines adopted a comprehensive land use plan, *PlanDSM, Creating Our Tomorrow*, that identified current land uses and future land uses in the area. The community desire to improve the area was once again on display when they came together in 2019 and created the Douglas Avenue Corridor Plan. This plan was approved by Council on February 24, 2020.

The Douglas Avenue Corridor Plan identified “*“Douglas Avenue struggles with vacancy rates, business turnover, and property disinvestment. Commercial buildings are tired, and many are obsolete for today’s business needs. Landscaping throughout the corridor is minimal – a reflection of 1950’s development patterns.” (page 10)*

The reason for seeking both, a slum and blight and an economic development designation is evidenced by the parcels within the proposed Urban Renewal Area. The proposed area consists of approximately 108 total parcels with only 56 (51%) of the parcels being taxable. The remaining 52 parcels are owned by the state or the City of Des Moines. Of the 56 taxable parcels, 19 (33.9%) of the parcels have a designation of “Below Normal” from the Polk County Assessor’s Office and 28 of the 56 taxable parcels have an assessed land value that is higher than the building value on that parcel, which means that the land is more valuable than the buildings on the parcel. This situation is not helped by the recent fire and demolition of the Plaza Lanes site. This site is very visible and is large enough that it has and will continue to attract interest from developers. Until it is redeveloped, the site will remain an unattractive vacant parcel on one of the city’s main east/west corridors. But for Tax Increment Financing being available to incentivize a developer, this site will remain vacant and a blight on the surrounding area, negatively affecting the adjacent residential areas.

## **B. Existing Land Use**

The Douglas Avenue Urban Renewal Area includes residential, commercial, and public/semi-public uses. 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 Douglas Avenue 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 Low Density Residential, Low-Medium Density Residential, Neighborhood Mixed Use and Public/Semi-Public. The majority of the Plan Area is within 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 Land Use Map* further details the proposed land uses for this general area.

This Plan will also include goals from the various sections throughout the PlanDSM document including the following:

Housing:

- Goal 1: Provide a diversity of housing options to accommodate residents of all ages, income levels, household sizes, and cultural backgrounds;
- Goal 2: Preserve, maintain, and improve the existing inventory of single-family and multi-family housing;
- Goal 3: Promote sustainable housing development that utilizes existing resources and supports compact, walkable, and bike-able neighborhoods; and
- Goal 4: Support development of and access to quality housing affordable to all income level households.

Transportation:

- Goal 3: Provide opportunities for healthy lifestyles through walking as a primary mode of transportation
- Goal 4: Make transit a more attractive option for all City residents;
- Goal 5: Enhance the bicycle network by expanding bicycle facilities that are safe, comfortable, and easily accessible..

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 3: Recognize livability as a key aspect to economic development; and
- Goal 4: Foster a sustainable economy.

Public Infrastructure and Utilities:

- Goal 1: Provide safe and reliable public infrastructure and utilities for current residents as well as future development needs;
- Goal 2: Evaluate capacity for implementation of and adaptation to green infrastructure in the city; and
- Goal 3: Reduce the consumption of energy in City owned buildings.

Community Character and Neighborhoods:

- Goal 1: Embrace the distinct character offered in each of Des Moines' neighborhoods;
- Goal CCN3: Establish a program to encourage public art installations, mural projects, and distinctive landscaping in neighborhood nodes and along corridors;
- Goal 2: Further Des Moines' revitalization efforts to improve the strength, stability, and vitality of all neighborhoods;
- Goal 3: Promote the redevelopment and revitalization of neighborhood nodes and corridors;
- Goal 4: Protect Des Moines' historic and cultural assets that contribute to neighborhood and community identity;
- Goal 5: Expand opportunities for healthy and active living for all residents; and
- Goal 6: Strengthen the walkability and connectivity within and between neighborhoods.

Social Equity:

- Goal 2: Ensure that all residents have convenient access to healthy food, health care, safe environments, and choices for an active lifestyle.

All goals and objectives of the Douglas Avenue 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 NX2, MX3, P1, and F (Flood) as shown on *Map 4 - Existing Zoning*.

The majority of the area along Douglas Avenue is zoned MX3, with NX2 focused near the Veterans Administration Central Iowa Health Care facility and along Clarkson Avenue. The area to the east of Martin Luther King Jr Parkway to the Des Moines River is zoned F or P1. Possible additional amendments to the Zoning Ordinance may be identified through the ongoing planning process for the implementation of this Plan.

**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:

MX3 is intended for mixed-use nodes and corridors in the city, where residents and visitors may access multiple uses by walking and automobile. The district accommodates higher intensity commercial uses at a smaller scale.

NX2 is intended for a mix of single-household houses with appropriately scaled and detailed multiple-household building types in the same neighborhood.

P1 is intended for open space, including permanent parks and recreation areas.



F is intended for flood plain and floodways.

**E. Recognized Neighborhood Organizations**

The proposed Urban Renewal Area is centered on Douglas Avenue and serves as the boundary for two (2) Recognized Neighborhood Associations (Lower Beaver and Prospect Park) that have 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 Blight Conditions**

The Area qualifies for designation as an Urban Renewal Area based on both slum and blight and economic development due to existing negative conditions in the commercial corridor that are impacting the adjacent residential neighborhoods and will accelerate the residential decline but for the utilization of TIF to stabilize and encourage new investment in the commercial areas. The 2021 esri forecast data for the residential census tracts that encompasses this Urban Renewal Area reports that the social and economic conditions in the residential sections of the census tract trail the state and national average in a number of categories and are a point where if investment does not occur in the commercial areas, the adjacent residential areas will fall farther behind the state and national numbers. The median household income in the census tract is 97% of the median household income in the state of Iowa and 91% of that in the U.S. The median home value in the census tract is 99% of the median home value in the state and 60% of that in the U.S. The per capita income is 90% of that in the state and less than half of the per capita income in the U.S. Within the census tract, 6.6% of the people earn less than \$15,000 per year. This compares to 9.9% of the state and 25% of the U.S. Of the people over 25 years of age, 13.5% do not have a high school diploma. This compares to 8.3% in the state and 12.3% in the U.S.

The adjacent residential areas have seen a decrease in the amount of home ownership in the past 20 years. Home ownership has decreased from almost 60% to barely over 50%. In that same time period, renter occupied housing units in the adjacent residential area has increased from 37% to over 40%. The vacant housing units (owner occupied, and renter occupied) has more than doubled in the past 20 years from a low of 3% to over 7% in the esri forecast for 2021. This decline in home ownership, increase in rental units and doubling of vacant units will continue if the stabilization efforts focused on the commercial area within the Douglas Avenue Urban Renewal Plan are not assisted with economic development tools such as Tax Increment Financing to attract new development and investment.

In addition to the above information, of the approximately 100 parcels in the proposed Douglas Avenue Urban Renewal Plan area, half of them have an assessed land value that is higher than the assessed value of the buildings on them. That means that the land is more valuable than the existing buildings on half of the area in this proposed plan area. This is a strong indicator that commercial investment in this area must occur or the decline in assessed values will continue and start to negatively affect the adjacent residential areas.

All these conditions have the impact of pulling down the economic viability of the adjacent residential neighborhoods of the Area and create 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 Douglas Avenue 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, mixed use and residential uses for the creation and retention of jobs in the City of Des Moines, to provide a diversity of housing options, increase the overall tax base, and to maximize the return on past 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 2: Directing 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 4: Continue to embrace the distinct character of Des Moines' neighborhoods while allowing for new development and redevelopment.

Objectives for the plan include:

- Encourage and facilitate high quality commercial, mixed use and residential uses and the associated employment opportunities and slum and blight elimination within the Plan area.
- Coordination of resources to attract new quality economic development investment.
- Provide an attractive and appealing physical environment for residents to improve the livability of the Urban Renewal Area.
- Encourage and facilitate high quality redevelopment of commercial and multi-family uses and the associated employment opportunities within the Plan Area.
- Expand housing opportunities for residents.
- Remove blighting physical conditions that cause or contribute to a shortage of decent, safe and sanitary housing and constitute a menace to the public health, safety, morals, and welfare.
- Ensure new development is of 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.
- Provide a diversity of housing options to accommodate residents of all ages, income levels, household sizes, and cultural backgrounds.
- Promote sustainable housing development that utilizes existing resources and supports compact, walkable, and bike-able neighborhoods.
- Foster economic prosperity and stability by retaining existing businesses and recruiting new businesses.
- Focus economic development efforts in strategic locations for continued vitality and growth.
- Recognize livability as a key aspect to economic development. Foster a sustainable economy.
- Provide safe and reliable public infrastructure and utilities for current residents as well as future development needs.
- Evaluate capacity for implementation of and adaptation to green infrastructure in the city.
- Further Des Moines' revitalization efforts to improve the strength, stability, and vitality.
- Promote the redevelopment and revitalization to this neighborhood node and corridor.
- Expand opportunities for healthy and active living for all residents by strengthening the walkability and connectivity within and between neighborhoods.
- Provide opportunities for healthy lifestyles through walking as a primary mode of transportation.
- Make transit a more attractive option for all City residents.
- Enhance the bicycle network by expanding bicycle facilities that are safe, comfortable, and easily accessible.
- Further Des Moines' social equity goals in ensuring that all residents have convenient access to healthy food, health care, safe environments, and choices for an active lifestyle.
- Further the goals of *LiveDSM*, the City's Parks and Recreation Comprehensive Plan, in making parks and trails the heart of the community. Elements of this goal include all residents to be within a ten-minute walk to a park or trail and improving signage for wayfinding to the area's parks and trails.

## **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 Douglas Avenue 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 Douglas Avenue 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 half of the taxable parcels in the proposed area having a land assessed value higher than the building assessed value, the City believes that the use of tax increment revenues to assist in the financing of new development or redevelopment in the Douglas Avenue 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 Douglas Avenue Urban Renewal Area in conformance with this Plan.

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

Because the City is pursuing both a slum and blight and an economic development designation for this area, the plan for the Douglas Avenue Urban Renewal Area shall not have a pre-determined expiration date as allowed 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 Douglas Avenue 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, revised land use regulations, revised boundaries, and/or property to be acquired and disposed of for redevelopment.

The City Council shall request public input from, 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 – Douglas Avenue Urban Renewal Area**

Beginning at the Intersection of the West Bank of the Des Moines River and the North Right of Way of Euclid Avenue; Thence South along said West Bank to the North Line of the Vacated Railroad Right of Way through Lot 13 of the Official Plat of the E 1/2 of the Northwest Quarter and Southwest Quarter of the Southeast Quarter and Government Lots 3, 4, 5 and 6 of Section 28, Township 79 North, Range 24 West of the 5<sup>th</sup> P.M.; Thence Westerly along said North Line of the Vacated Railroad Right of Way through Lot 13 to the West Line of the Northeast Quarter of said Section 28; Thence South along said West Line of the Northeast Quarter of said Section 28 to the North Line of Parcel C, said Parcel C being recorded in Book 7188 Page 99 at the Recorder's Office of Polk County, Iowa; Thence Easterly along said North Line of said Parcel C to the Easterly Line of said Parcel C; Thence South along said Easterly Line of said Parcel C to the Southerly Line of said Parcel C; Thence Westerly along said Southerly Line of said Parcel C to the Easterly Right of Way Line of Martin Luther King Jr Parkway; Thence Northerly along said Easterly Right of Way Line of Martin Luther King Jr Parkway to the Easterly Extension of the North Right of Way Line of Urbandale Avenue; Thence West along said Easterly Extension of the North Right of Way Line of Urbandale Avenue and along said North Right of Way Line of Urbandale Avenue to a Line that is 150 Feet West of and parallel to the Southerly Extension of the East Line of Lot 1, Carroll Place, an Official Plat; Thence North along said Line being parallel to the Southerly Extension of the East Line of said Lot 1 to the South Line of said Carroll Place; Thence East along said South Line of said Carroll Place to the Southeast Corner of said Carroll Place; Thence North along the East Line of said Carroll Place to the South Line of Winnie's Place, an Official Plat; Thence East along said South Line of said Winnie's Place to the Southeast Corner of said Winnie's Place; Thence North along the East Line of said Winnie's Place to the South Line of Lot A in said Winnie's Place; Thence West along said South Line of said Lot A to the Southerly Extension of the East Line of Parcel D, said Parcel D being recorded in Book 15270 Page 86 at the Recorder's Office of Polk County, Iowa; Thence North along said Southerly Extension of the East Line of said Parcel D and along said East Line of said Parcel D to the Northeast Corner of said Parcel D; Thence West along the North Line of Parcels A, B, C and D, said Parcels A, B, C and D also being recorded in Book 15270 Page 86 at the Recorder's Office of Polk County, Iowa, to the Northwest Corner of said Parcel A; Thence South along the West Line of said Parcel A to the North Right of Way Line of Euclid Avenue; Thence West along said North Right of Way Line of Euclid Avenue to the East Line of the West 233.26 Feet of Lot 7, Euclid Heights, an Official Plat; Thence North and parallel to the West Line of said Lot 7 to the North Line of the South 160 Feet of said Lot 7; Thence West along said North Line of the South 160 Feet of said Lot 7 to the West Line of said Lot 7; Thence North along said West Line of said Lot 7 to the South Right of Way Line of Douglas Avenue; Thence Westerly along said South Right of Way Line of Douglas Avenue to a point on the North Line of Lot 3, Helen's Woods, an Official Plat, said point being 38 Feet East along said North Line from the Northwest corner of said Lot 3; Thence Southwest along a Line to a point on the East Line of Lot 4 in said Helen's Woods, said point being 97 Feet South of the Northeast Corner of said Lot 4; Thence South along said East Line of said Lot 4 to the Northeast Corner of Lot 8 in said Helen's Woods; Thence continuing South along the East Line of said Lot 8, a distance of 41 Feet; Thence Westerly along a Line to a point of the West Line of said Lot 8, said point being 50 Feet South of the Northwest Corner of said Lot 8; Thence South along the West Line of said Lot 8 to the Southerly Line of said Helen's Woods; Thence Southeasterly along said Southerly Line of said



Helen's Woods to the Southeast Corner of Lot 12 in said Helen's Woods; Thence South along the Southerly Extension of the East Line of said Lot 12 to the North Line of Lot 12 in said Euclid Heights; Thence West along the North Line of Lots 9, 10, 12 and 18 in said Euclid Heights and the Westerly Extension of said Lots to the West Right of Way Line of 30<sup>th</sup> Street; Thence North along said West Right of Way Line of 30<sup>th</sup> Street to the Southerly Right of Way Line of Euclid Avenue; Thence Northwest along said Southerly Right of Way Line of Euclid Avenue to the South Right of Way Line of Douglas Avenue; Thence West along said South Right of Way Line of Douglas Avenue to the Southerly Extension of the East Line of the West 60 Feet of Lot 1, Hallett Acres, an Official Plat; Thence North along said Southerly Extension of the East Line of the West 60 Feet of said Lot 1 to the North Line of the South 80 Feet of said Lot 1; Thence West along a Line that is parallel to the South Line of said Lot 1, a distance of 20 Feet; Thence North along a Line that is parallel to the West Line of said Lot 1 to the South Line of Lot 57 in said Hallett Acres; Thence East along said South Line of said Lot 57 to the Southeast Corner of said Lot 57; Thence Southeast along a Straight Line to the West Corner of Lot 12, Block G, Lawnwoods, an Official Plat; Thence Northeast along the Northwest Line of said Lot 12 to the Northeasterly Corner of said Lot 12; Thence Southeast along the Northeast Line of Lots 12, 13, 14 and 15 in said Block G to the East Corner of said Lot 15; Thence Southeast along the Southeasterly Extension of the Northeast Line of Lots 14 and 15 in said Block G to the Southerly Extension of the East Line of Lot 17 in said Block G; Thence Northeast along a Straight Line to the Southwest Corner of Lot 8 in Block H of said Lawnwoods; Thence East along the south Line of said Lot 8 to the West Line of Lot 16 in said Block H; Thence North along the West Line of Lots 16 and 63 in said Block H to the Northwest Corner of said Lot 63; Thence East along the North Line of Lots 58 through 63 in said Block H to the Northeast Corner of said Lot 58; Thence South along the East Line of said Lot 58 to the Southeast Corner of said Lot 58; Thence East along the South Line of Lots 56 and 57 in said Block H to the Southwest Corner of Lot 55 in said Block H; Thence North along the West Line of said Lot 55 to the North Line of the South 52 Feet of said Lot 55; Thence East along North Line of the South 52 Feet of Lots 40 through 55 to the West Right of Way Line of 30<sup>th</sup> Street; Thence South along said West Right of Way Line of 30<sup>th</sup> Street to the Westerly Extension of the North Line of Lot 1 in Euclid Heights Plat No.2, an Official Plat; Thence East along said Westerly Extension of the North Line of said Lot 1 in said Euclid Heights Plat No.2 and along said North Line of said Lot 1 in said Euclid Heights Plat No.2 to the West Line of Lot 6 in said Euclid Heights Plat No.2; Thence North along said West Line of said Lot 6 to the Northwest Corner of said Lot 6; Thence East along the North Line of said Lot 6 to the Northeast Corner of said Lot 6; Thence North 45°12' East, 37.4 Feet; Thence North 72°50' East, 160 Feet; Thence North 87°19 ½' East, 170.18 Feet; Thence South 74°30 ¼' East, 194.18 Feet; Thence South 00°00' West, 115 Feet; Thence North 89°25 ½' West, 113.87 Feet to the East Line of Lot 2 in said Euclid Heights Plat No.2; Thence South along said East Line of said Lot 2 to the North Line of said Euclid Heights; Thence East along said North Line of said Euclid Heights to the Southwest Corner of Carmel Heights Plat No.1, an Official Plat; Thence North along the West Line of said Carmel Heights Plat No.1 to the South Line of Lot 13 in said Carmel Heights Plat No.1; Thence East along the South Line of Lots 7 through 13 in said Carmel Heights Plat No.1 to the Southeast Corner of said Lot 7 in said Carmel Heights Plat No.1; Thence North along the East Line of said Lot 7 in said Carmel Heights Plat No.1 to the Southwest Corner of Lot 6 in said Carmel Heights Plat No.1; Thence East along the South Line of said Lot 6 in said Carmel Heights Plat No.1 to the Southeast Corner of said Lot 6 in said Carmel Heights Plat No.1; Thence North along the East Line of said Lot 6 in said Carmel Heights Plat No.1 to the Northeast Corner of said Lot 6; Thence Easterly long the North Line of Lot 5 in said Carmel Heights Plat No.1 and along the Easterly Extension of said North line of



said Lot 5 to the East Line of the 150 Feet wide Abandoned Railroad Right of Way in the Southeast 1/4 of the Southwest 1/4 of Section 21, Township 79 North, Range 24 West of the 5<sup>th</sup> P.M.; Thence South along said East Line of the Abandoned Railroad Right of Way in the Southeast 1/4 of the Southwest 1/4 of said Section 21 to the North Line of Section 28, Township 79 North, Range 24 West of the 5<sup>th</sup> P.M.; Thence East along said North Line of said Section 28 to the East Line of the 150 Feet wide Abandoned Railroad Right of Way in the Northeast 1/4 of the Northwest 1/4 of said Section 28; Thence South along said East Line of the 150 Feet wide Abandoned Railroad right of way in the Northeast 1/4 of the Northwest 1/4 of said Section 28 to the North Right of Way Line of Euclid Avenue; Thence East along said North Right of Way Line of Euclid Avenue to the Centerline of said Section 28; Thence continuing East along said North Right of Way Line of Euclid Avenue, a distance of 663.57 Feet; Thence North and parallel with said Centerline of said Section 28, a distance of 150 Feet; Thence East along a Line that is 150 Feet North of and parallel with said North Right of Way Line of Euclid Avenue to the West Bank of the Des Moines River; Thence South along said West Bank of the Des Moines River to the Point of Beginning.

**Appendix “B”**  
**Financial Condition Report**  
**Douglas Avenue Urban Renewal Area**

**E. APPENDIX C – FINANCIAL CONDITION REPORT – DOUGLAS AVENUE**  
**URBAN RENEWAL AREA**

The City has, by Ordinance No. [REDACTED] passed \_\_\_\_\_, 2021 designated the Douglas Avenue 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 Douglas Avenue 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 Douglas Avenue Urban Renewal Area on xxx xx, 2021, 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 \$589.6 million in general obligation debt. Of this debt, approximately \$120.5 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 Douglas Avenue 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 Douglas Avenue 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 \$31.0 million in assessed value within the Douglas Avenue 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 Douglas Avenue 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 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.

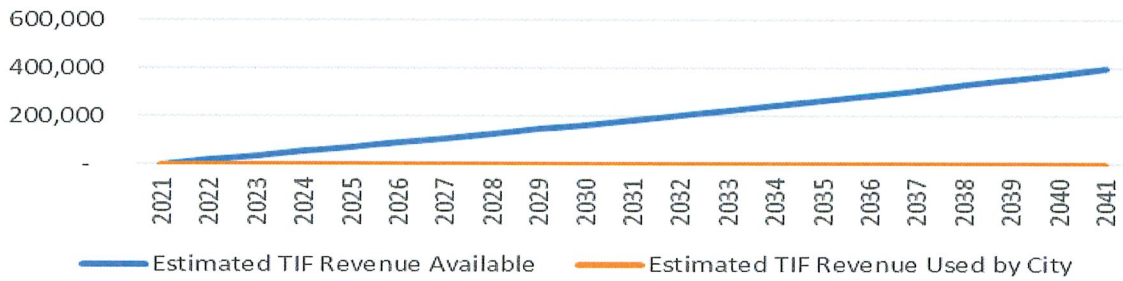
The following table and graphic represent new and updated information formulated for this amendment.

| Assessment Year | Base Valuation | Total Assessed Valuation | New Increment Valuation | TIF Valuation Used | Estimated TIF Revenue Available | Estimated TIF Revenue Used by City | Percent Valuation Used |
|-----------------|----------------|--------------------------|-------------------------|--------------------|---------------------------------|------------------------------------|------------------------|
| 2021            | 30,981,821     | 30,981,821               | -                       | -                  | -                               | -                                  | 0%                     |
| 2022            | 30,981,821     | 31,446,548               | 464,727                 | -                  | 17,195                          | -                                  | 0%                     |
| 2023            | 30,981,821     | 31,918,247               | 936,426                 | -                  | 34,648                          | -                                  | 0%                     |
| 2024            | 30,981,821     | 32,397,020               | 1,415,199               | -                  | 52,362                          | -                                  | 0%                     |
| 2025            | 30,981,821     | 32,882,976               | 1,901,155               | -                  | 70,343                          | -                                  | 0%                     |
| 2026            | 30,981,821     | 33,376,220               | 2,394,399               | -                  | 88,593                          | -                                  | 0%                     |
| 2027            | 30,981,821     | 33,876,863               | 2,895,042               | -                  | 107,117                         | -                                  | 0%                     |
| 2028            | 30,981,821     | 34,385,016               | 3,403,195               | -                  | 125,918                         | -                                  | 0%                     |
| 2029            | 30,981,821     | 34,900,792               | 3,918,971               | -                  | 145,002                         | -                                  | 0%                     |
| 2030            | 30,981,821     | 35,424,304               | 4,442,483               | -                  | 164,372                         | -                                  | 0%                     |
| 2031            | 30,981,821     | 35,955,668               | 4,973,847               | -                  | 184,032                         | -                                  | 0%                     |
| 2032            | 30,981,821     | 36,495,003               | 5,513,182               | -                  | 203,988                         | -                                  | 0%                     |
| 2033            | 30,981,821     | 37,042,428               | 6,060,607               | -                  | 224,242                         | -                                  | 0%                     |
| 2034            | 30,981,821     | 37,598,065               | 6,616,244               | -                  | 244,801                         | -                                  | 0%                     |
| 2035            | 30,981,821     | 38,162,036               | 7,180,215               | -                  | 265,668                         | -                                  | 0%                     |
| 2036            | 30,981,821     | 38,734,466               | 7,752,645               | -                  | 286,848                         | -                                  | 0%                     |
| 2037            | 30,981,821     | 39,315,483               | 8,333,662               | -                  | 308,345                         | -                                  | 0%                     |
| 2038            | 30,981,821     | 39,905,215               | 8,923,394               | -                  | 330,166                         | -                                  | 0%                     |
| 2039            | 30,981,821     | 40,503,794               | 9,521,973               | -                  | 352,313                         | -                                  | 0%                     |
| 2040            | 30,981,821     | 41,111,350               | 10,129,529              | -                  | 374,793                         | -                                  | 0%                     |
| 2041            | 30,981,821     | 41,728,021               | 10,746,200              | -                  | 397,609                         | -                                  | 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.



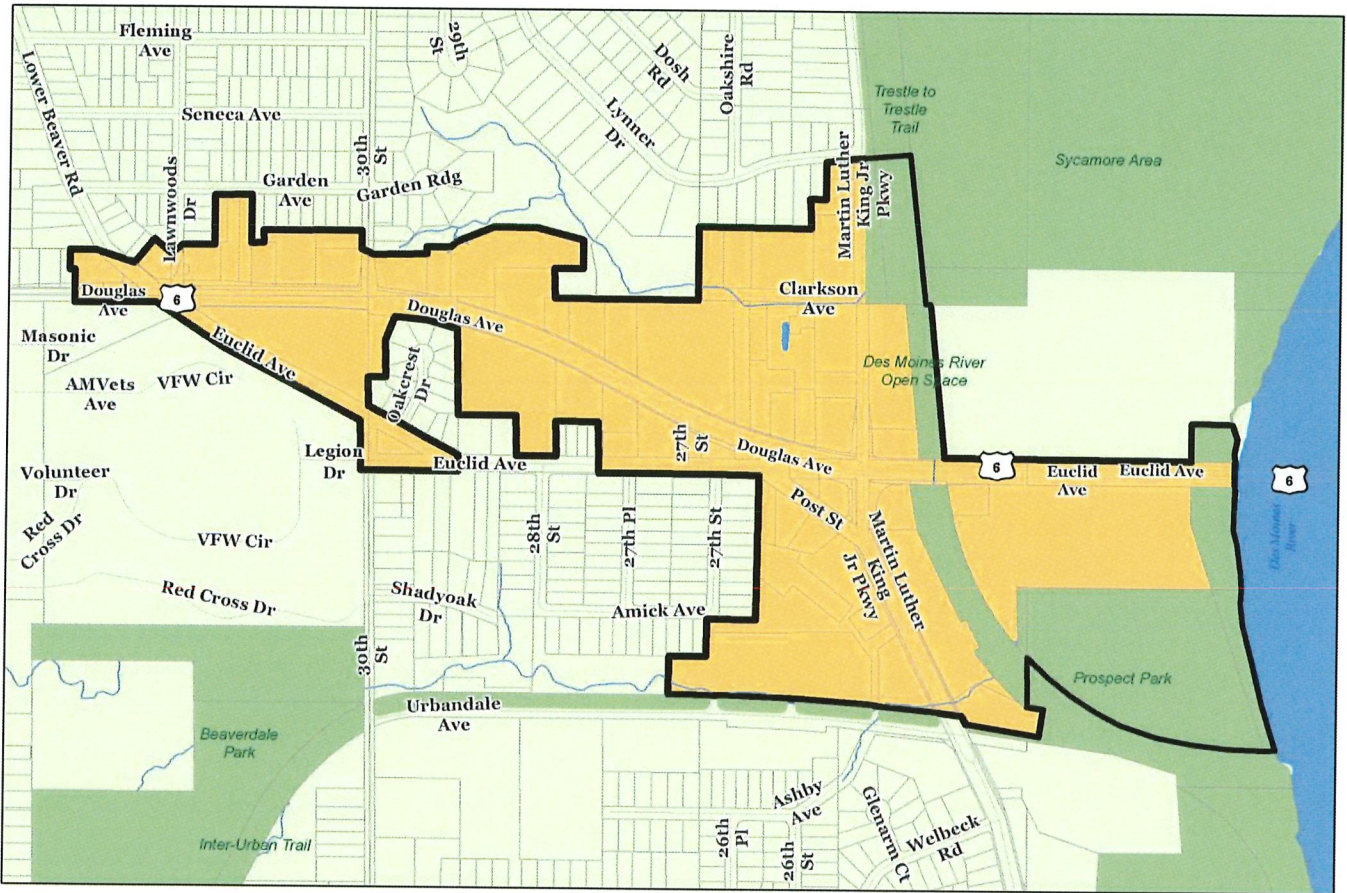
## Projected Available TIF Revenues and Expenditures Assessment Years 2021-2041 (Paid and Collected in FY2022/23 to FY2042/43)



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.

Map 1 – Boundary of Urban Renewal Area

Douglas Avenue Urban Renewal Plan



Map 1 - Boundary of Urban Renewal Area

 Douglas Avenue URA



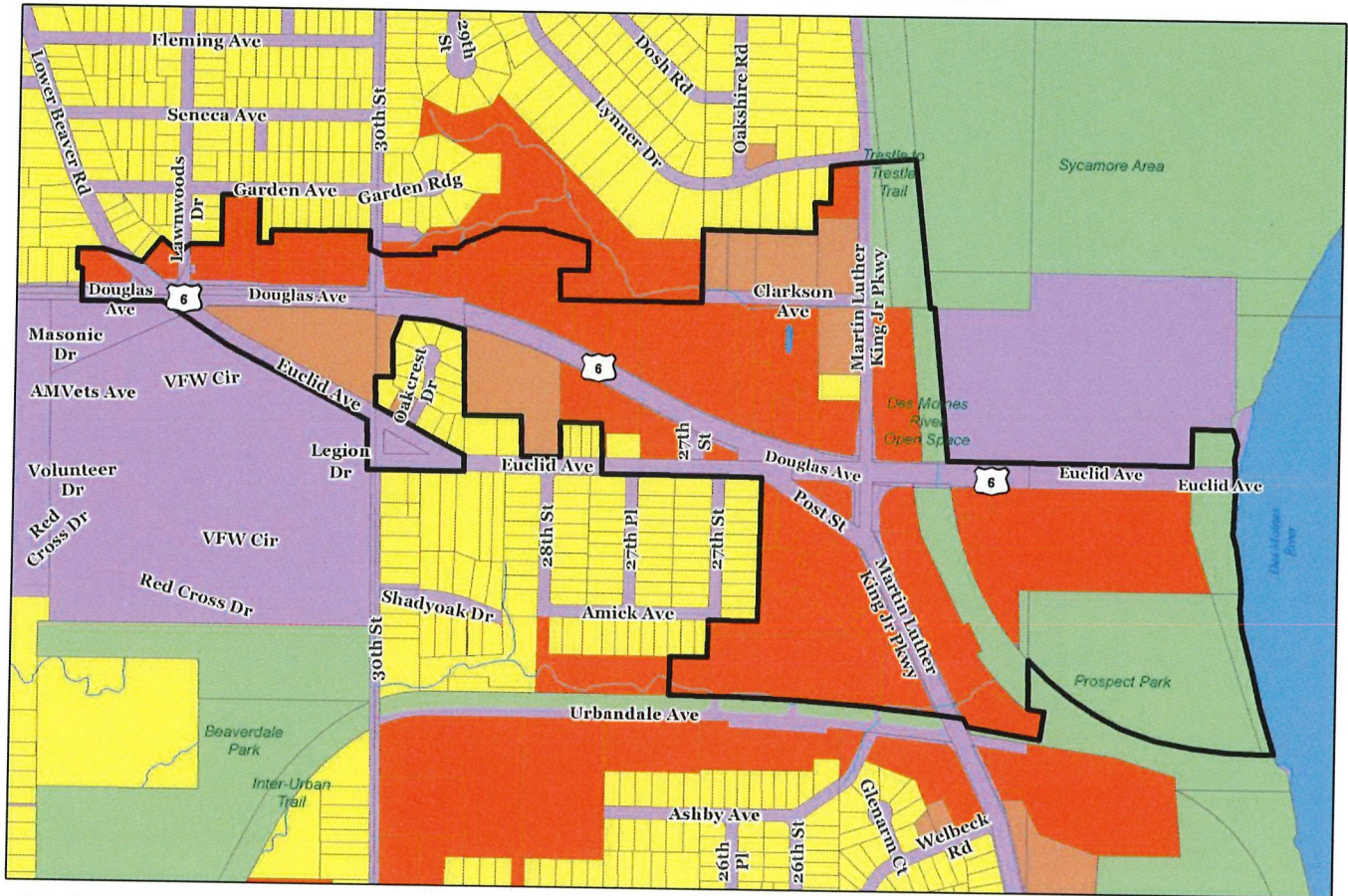
Map prepared by:  
Development Services Department  
City of Des Moines

Date: 10/5/2021



Map 2 – Existing Land Use

### Douglas Avenue Urban Renewal Plan



Map 2 - Existing Land Use

- Douglas Ave URA Boundary
- Residential
- Public/Semi-Public
- Not Classified
- Commercial

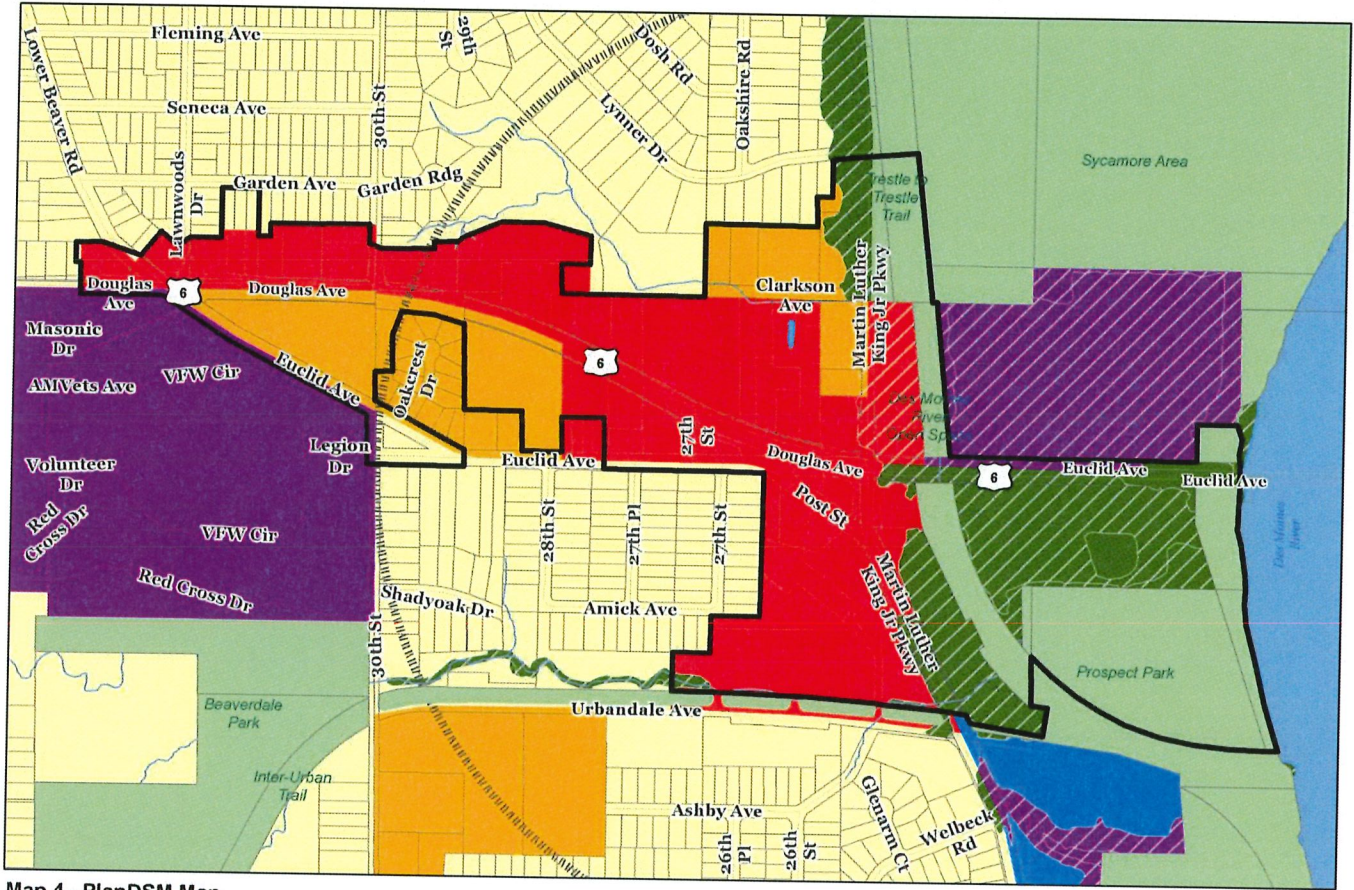


Map prepared by:  
Development Services Department  
City of Des Moines  
Date: 10/5/2021



Map 3 - Plan DSM Future Land Use Map

### Douglas Avenue Urban Renewal Plan



Map 4 - PlanDSM Map

- Douglas Ave URA Boundary
- Low Density Residential
- Industrial
- Public / Semi-Public
- Medium Density Residential
- Community Mixed Use
- Parks and Open Space
- Community Node
- PlanDSM Development Control Zone

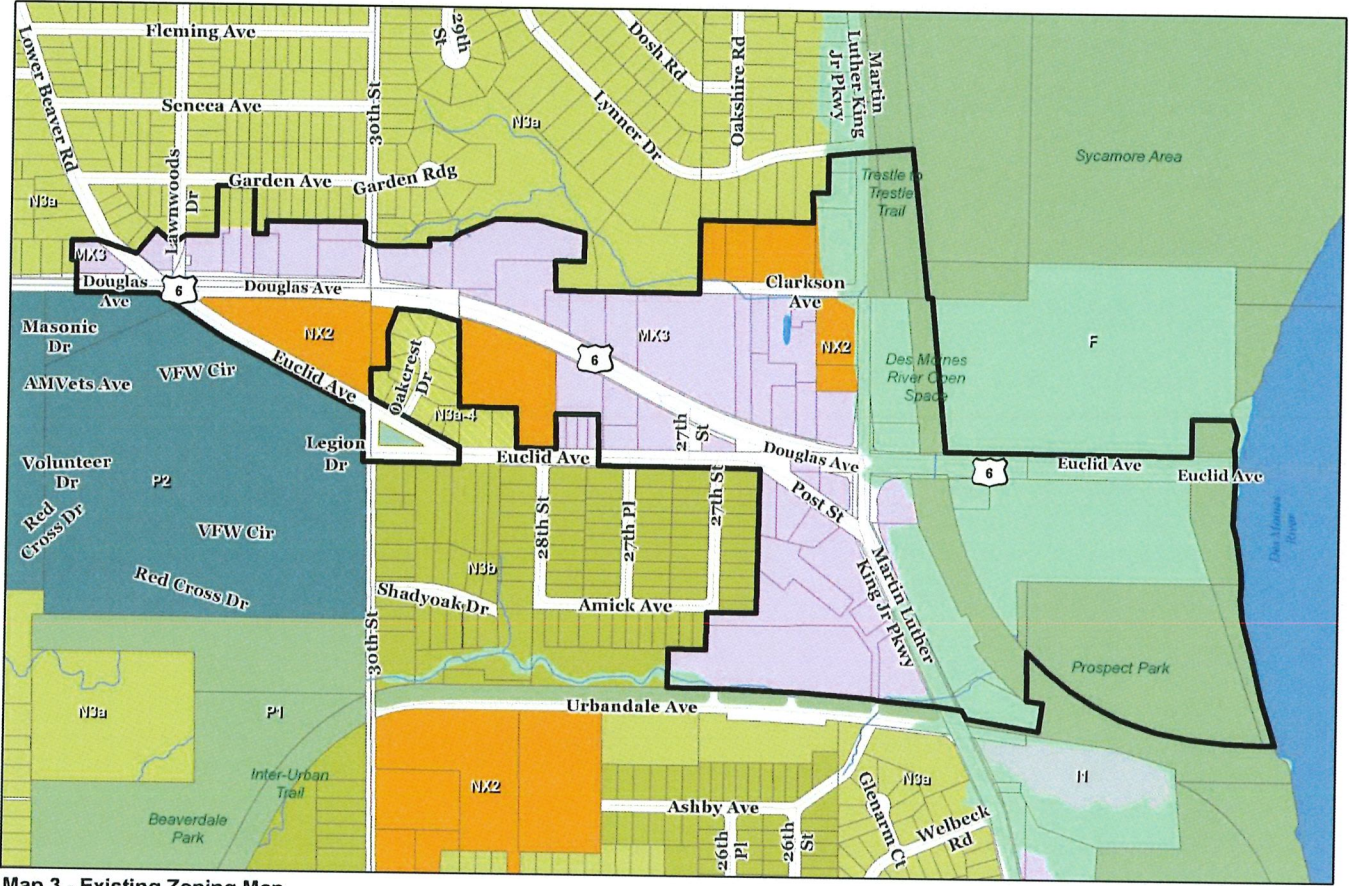


Map prepared by:  
Development Services Department  
City of Des Moines  
Date: 10/5/2021















Map 4 - Existing Zoning

### Douglas Avenue Urban Renewal Plan



Map 3 - Existing Zoning Map

|  |   |   |   |  |
|--|---|---|---|--|
|  Douglas Ave URA Boundary |  F   |  N3a   |  N3b |  P1 |
| <b>Zoning District</b>   |  I1  |  N3a-2 |  NX2 |  P2 |
| <b>ROW</b>   |  MX3 |  N3a-4 |  NX3 |  |

Map prepared by:  
Development Services Department  
City of Des Moines  
Date: 10/5/2021