Council Communication

Department: Community Development Case No.: URV-24-001 Submitted by: Housing & Economic Development	Resolution No.: 24-	Resolution of Intent: 02/26/2024 Planning Commission: 02/13/2024 Public Hearing & First Reading: 04/01/2024 Second Reading: 04/22/2024 Third Reading: Request to Waive

Subject/Title

Resolution of necessity and intent to consolidate the 16 current Urban Revitalization Areas and add an additional area, South Expressway Urban Revitalization Area.

Background/Discussion

Background

Chapter 404 of the Iowa Code authorizes a City to designate an area as an urban revitalization area. Improvements to qualified real estate within designated areas may then be eligible to receive a total or partial exemption from property taxes for a specified number of years. The exemptions are intended to stimulate private investment by reducing the tax increase that would normally result from making improvements to real estate property.

Urban revitalization tax abatement incentives can apply to residential, commercial and industrial development. Both new construction on vacant or unimproved land and rehabilitation of existing structures are eligible for tax abatement.

Staff has prepared a Consolidated Urban Revitalization Plan, including South Expressway Urban Revitalization Area, in accordance with Chapter 404 of the Iowa Code and has scheduled the matter for City Council consideration.

Discussion

The Community Development Department has created a Consolidated Urban Revitalization Plan. The Consolidated Plan includes the 16 current Urban Revitalization Area Plans that are in effect and adds the South Expressway Urban Revitalization Plan. Consolidating the 16 Urban Revitalization Plans into one will make all the Plans consistent and easier to update in the future.

Two updates are included in the Consolidated Plan:

1. Multi-Family Housing Development: In the prior individual plans the period of time for exemption was 4 years, we are wanting to extend the time period to 6 years for the exemption. This extension is vital to many developers when deciding to come to Council Bluffs or take their developments elsewhere.
2. Additional Area Added: The City is working with a developer to construct a 20,000 square foot new construction commercial retail car dealership that will improve the property by $9,000,000. It is located along the South Expressway in an undeveloped parcel. There is a separate parcel that is currently being used for salvage storage that has the potential for redevelopment. These additional parcels are comprised of 6.83 acres, more or less, of land. If the South Expressway Urban Revitalization Area is approved, the project as proposed could be eligible for full exemption from taxation for three years or a ten year declining property tax abatement.

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Staff has prepared a Resolution of Necessity to create the South Expressway Urban Revitalization Area. The resolution directs staff to amend the urban revitalization plan as required by the Iowa Code, notify property owners and occupants and set March 25, 2024 as the public hearing date. Notification will be sent to the owners of the property within the urban revitalization area.

Concurrent with the adoption of an urban revitalization plan, an ordinance establishing the urban revitalization area can be considered by City Council. Upon adoption of the area, the City is permitted to grant tax abatement to qualified projects. Staff specifically asks that the Commission consider the following:

- Consolidating the 16 Urban Revitalization Areas into one consistent and uniform plan.
- The proposed South Expressway Urban Revitalization Area furthers the goals of the City's Comprehensive Plan.
- The South Expressway Urban Revitalization Area is an area appropriate for urban revitalization designation as specified in Iowa Code Section 404.1.4, which discusses an area which is appropriate as an economic development area as defined in section 403.17. Provides that "economic development area" means an area of a municipality designated by the local governing body as appropriate for commercial and industrial enterprises or housing and residential development for low and moderate income families, including single or multi-family housing.

Recommendation

The Community Development Department recommends City Council adopt a resolution of necessity and intent to consolidate the 16 Urban Revitalization Areas and add the South Expressway Urban Revitalization Area.

Attachments

Attachment A – Draft of the Consolidated Urban Revitalization Plan
Attachment B – Boundary Map

Prepared by: Marianne Collins, Community Development Housing & Economic Planner, Community Development Department
Submitted by: Courtney Harter, Housing & Economic Development Director, Community Development Department