Council Communication

Department: Community Development Case/Project Nos.: 24-URV-002, 24-URV-003, 24-URV-004, 24-URV-005, 24-URV-006, 24-URV-007 & 24-URV-008	Resolution No.: 24-	City Council: February 26, 2024

Subject/Title

Urban Revitalization Applications for the 2024 Tax Assessment Year (2023 calendar year)

Applicants

1) 24-URV-002: Black Squirrel Investors LLC
2) 24-URV-003: Horseshoe – Hilton Garden Inn
3) 24-URV-004: 1700 Council Bluffs LP (IceCap Cold Storage)
4) 24-URV-005: Immanuel Elderly Housing III, LLC
5) 24-URV-006: McGregor Interests Council Bluffs QOF, LLC
6) 24-URV-007: Opus Development Company LLC
7) 24-URV-008: TS Council Bluffs IA Landlord LLC (Tesla)

Locations

1) Black Squirrel Urban Revitalization Area (1120 S 34th Street)
2) Mid-America Urban Revitalization Area (2702 Mid America Drive)
3) 16th Avenue Urban Revitalization Area (1720 16th Avenue)
4) College Road Urban Revitalization Area (1689 College Road)
5) Veterans Memorial Highway Urban Revitalization Area (706 Veterans Memeorial Highway)
6) River Road Urban Revitalization Area (2421 and 2441 River Road)
7) Mid-America Urban Revitalization Area (2421 Mid America Drive)

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. All eligible commercial and industrial real estate can receive a partial exemption from taxation or a full exemption on the actual value added by the improvements. The partial exemption is for a period of ten years and the full 100% exemption is for a period of three years. Multi-family new construction (12 or more units) is eligible for a 100% exemption for four years and multi-family rehabilitation (3 or more units) may be eligible for a 100% exemption for ten years.

Minimum Assessment Agreements will be recorded for each parcel as part of the approval process annually. Signed Minimum Assessment Agreements will be available for the February 26th Council meeting, unsigned copies are attached for your review.

Discussion

1. Black Squirrel Investors LLC

1120 S 34th Street
Black Squirrel Flats Lot 1
Parcel No. 754433439001

In 2022, Black Squirrel Investors LLC began its construction on 20 multifamily townhomes adding housing stock to Council Bluffs. In 2023, the total investment was $2,975,000.

Construction will be completed March 2024. Black Squirrel Investors LLC has requested full tax exemption for a four-year period. A detailed builder's cost breakdown/real estate improvement cost report is attached as a part of the application.

The Community Development Department has reviewed the request and finds the following:

a) The request is in conformance with the Black Squirrel Urban Revitalization Plan (expires 2042).
b) The request pertains to property improvements located within a designated urban revitalization area.
c) The request is for work completed in 2023 and all appropriate materials have been submitted within the timeframe required for abatement.
d) The request is consistent with Chapter 404 of the Iowa Code and applicable city ordinances.
e) The property is classified as residential and is consistent with the eligibility criteria contained in the Black Squirrel Urban Revitalization Plan.
f) Building Permits have been issued.

2. Horseshoe – Hilton Garden Inn
2702 Mid-America Drive
Horseshoe Subdivision Lot
Parcel No. 744403400014

In 2022, Horseshoe – Hilton Garden Inn Immanuel Elderly Housing III, LLC began a interior/exterior remodeling project. In 2022, the total investment was $2,832,064. In 2023, the total investment was $5,220,551. For a total investment of $8,052,615.

The project was completed September 2023. They have requested a partial exemption for ten years. A detailed builder's cost breakdown/real estate improvement cost report is attached as a part of the application.

The Community Development Department has reviewed the request and finds the following:

a) The request is in conformance with the Mid-America Urban Revitalization Plan (expires 2041).
b) The request pertains to property improvements located within a designated urban revitalization area.
c) The request is for work completed in 2022 and 2023. All appropriate materials have been submitted within the timeframe required for abatement.
d) The request is consistent with Chapter 404 of the Iowa Code and applicable city ordinances.
e) The property is classified as commercial and is consistent with the eligibility criteria contained in the Mid-America Urban Revitalization Plan.
f) Building permits were issued.

3. 1700 Council Bluffs LP (IceCap Cold Storage)
1720 16th Avenue
Co Bluffs 2-74-44 PT E1/2 NW Lying E of UP ROW & W200' W1/2 NE Lying S OF 16th Ave & N of UP ROW & SELY11.36AC S & E of RR S1/2 SW 35-75-44 EXC E16' S686'
Parcel No. 744402101001

In 2021, 1700 Council Bluffs LP began building a new facility for cold storage of food products including office space, freezer and machinery for cold storage use. In 2023, the total investment was $41,215,762.

Construction will be completed March 2024. 1700 Council Bluffs LP have requested a 100% exemption for three years. A detailed builder's cost breakdown/real estate improvement cost report is attached as a part of the application.

The Community Development Department has reviewed the request and finds the following:

a) The request is in conformance with the 16th Avenue Urban Revitalization Plan (expires 2031).
b) The request pertains to property improvements located within a designated urban revitalization area.
c) The request is for work completed in 2023 and all appropriate materials have been submitted within the timeframe required for abatement.
d) The request is consistent with Chapter 404 of the Iowa Code and applicable city ordinances.
e) The property is classified as commercial and is consistent with the eligibility criteria contained in the 16th Avenue Urban Revitalization Plan.
f) Building permits were issued.

4. Immanuel Elderly Housing III, LLC
1689 College Road
New Horizon Subdivision Replat 2 Lot 3
Parcel No. 754328301003

In 2023, Immanuel Elderly Housing III, LLC completed construction of 65 unit low-income housing independent living apartments for adults over 55 years of age and will provide related programs for seniors to meet the physical, emotional, recreational, social and religious needs of aged persons. The project created two new full-time equivalent positions. In 2023, the total investment was $3,652,646.

The project was completed April 2023. They have requested a 100% exemption for four years, which is allowed because the project is classified as multi-family new construction. A detailed builder's cost breakdown/real estate improvement cost report is attached as a part of the application.

The Community Development Department has reviewed the request and finds the following:

a) The request is in conformance with the College Road Urban Revitalization Plan (expires 2035).
b) The request pertains to property improvements located within a designated urban revitalization area.
c) The request is for work completed in 2023 and all appropriate materials have been submitted within the timeframe required for abatement.
d) The request is consistent with Chapter 404 of the Iowa Code and applicable city ordinances.
e) The property is classified as residential and is consistent with the eligibility criteria contained in the College Road Urban Revitalization Plan.
f) A certificate of occupancy has been issued.

5. McGregor Interests Council Bluffs QOF, LLC
706 Veterans Memorial Highway
McGregor Interests Memorial Subdivision Lot 1
Parcel No. 744412381001

In 2023, McGregor Interests Council Bluffs QOF, LLC began its construction of a 20,000 square foot self-storage facility. In 2023, the total investment was $1,775,688.

The project will be completed July 2024. McGregor Interests Council Bluffs QOF, LLC has requested a partial exemption for ten years. A detailed builder's cost breakdown/real estate improvement cost report is attached as a part of the application.

The Community Development Department has reviewed the request and finds the following:

a) The request is in conformance with the Veterans Memorial Highway Urban Revitalization Plan (expires 2042).
b) The request pertains to property improvements located within a designated urban revitalization area.
c) The request is for work completed in 2023 and all appropriate materials have been submitted within the timeframe required for abatement.
d) The request is consistent with Chapter 404 of the Iowa Code and applicable city ordinances.
e) The property is classified as commercial and is consistent with the eligibility criteria contained in the Veterans Memorial Highway Urban Revitalization Plan.
f) Building permits have been issued.

6. Opus Development Company LLC
2421 and 2441 River Road
River Road Subdivision Replat 1 Lot 1 and Lot 2
Parcel No. 744404402001 and 744404402002

In 2022, Opus Development Company LLC began its construction of 302,300 and 236,000 square foot industrial buildings. In 2022, the total investment was $4,193,066. In 2023, the total investment was $31,990,352. For a total investment of $36,183,418.

The project will be completed September 2024. Opus Development Company LLC has requested a partial exemption for ten years. A detailed builder's cost breakdown/real estate improvement cost report is attached as a part of the application.

The Community Development Department has reviewed the request and finds the following:
a) The request is in conformance with the River Road Urban Revitalization Plan (expires 2027).
b) The request pertains to property improvements located within a designated urban revitalization area.
c) The request is for work completed in 2022 and 2023 and all appropriate materials have been submitted within the timeframe required for abatement.
d) The request is consistent with Chapter 404 of the Iowa Code and applicable city ordinances.
e) The property is classified as commercial and is consistent with the eligibility criteria contained in the River Road Urban Revitalization Plan.
f) Building permits have been issued.

7. TS Council Bluffs IA Landlord LLC
2421 Mid America Drive
Co Bluffs – Bluffs Vision 4 Subdivision Lot 2
Parcel No. 744403303001

In 2023, TS Council Blufss IA Landlord LLC began construction of a 50,353 square foot 1-story auto dealership. In 2023, the total investment was $6,632,202.

The project will be completed June 2024. TS Council Bluffs IA Landlord LLC has requested partial exemption for ten years. A detailed builder's cost breakdown/real estate improvement cost report is attached as a part of the application.

The Community Development Department has reviewed the request and finds the following:
a) The request is in conformance with the Mid-America Urban Revitalization Plan (expires 2041).
b) The request pertains to property improvements located within a designated urban revitalization area.
c) The request is for work completed in 2023 and all appropriate materials have been submitted within the timeframe required for abatement.
d) The request is consistent with Chapter 404 of the Iowa Code and applicable city ordinances.

e) The property is classified as agricultural and is consistent with the eligibility criteria contained in the Mid-America Urban Revitalization Plan.
f) Building permits have been issued.

Staff Recommendations

Recommendation #1: The Community Development Department recommends the City Council approve and adopt a resolution granting approval for tax abatement for the 2024 tax assessment year (2023 calendar year) as requested by Black Squirrel Investors LLC for the eligible property improvements located at 1120 S 34th Street.

Recommendation #2: The Community Development Department recommends the City Council approve and adopt a resolution granting approval for tax abatement for the 2024 tax assessment year (2023 calendar year) and the 2023 tax assessment year (2022 calendar year) as requested by Horseshoe – Hilton Garden Inn for the eligible property improvements located at 2702 Mid America Drive.

Recommendation #3: The Community Development Department recommends the City Council approve and adopt a resolution granting approval for tax abatement for the 2024 tax assessment year (2023 calendar year) as requested by 1700 Council Bluffs LP (IceCap Cold Storage) for the eligible property improvements located at 1720 16th Avenue.

Recommendation #4: The Community Development Department recommends the City Council approve and adopt a resolution granting approval for tax abatement for the 2024 tax assessment year (2023 calendar year) as requested by Immanuel Elderly Housing III, LLC for the eligible property improvements located at 1689 College Road.

Recommendation #5: The Community Development Department recommends the City Council approve and adopt a resolution granting approval for tax abatement for the 2024 tax assessment year (2023 calendar year) as requested by McGregor Interests Council Bluffs QOF, LLC for the eligible property improvements located at 706 Veterans Memorial Highway.

Recommendation #6: The Community Development Department recommends the City Council approve and adopt a resolution granting approval for tax abatement for the 2024 tax assessment year (2023 calendar year) and the 2023 tax assessment year (2022 calendar year) as requested by Opus Development Company LLC for the eligible property improvements located at 2421 and 2441 River Road.

Recommendation #7: The Community Development Department recommends the City Council approve and adopt a resolution granting approval for tax abatement for the 2024 tax assessment year (2023 calendar year) as requested by TS Council Bluffs IA Landlord LLC (Tesla) for the eligible property improvements located at 2421 Mid America Drive.