Council Communication

Department: Community Development Case No.: URV-24-009 Submitted by: Housing & Economic Development	Resolution No.: 24-	Resolution of Intent: 07/22/2024 Planning Commission: 08/13/2024 Public Hearing & First Reading: 08/26/2024 Second Reading: 09/09/2024 Third Reading: Request to Waive

Subject/Title

Request: Amendment to update new construction multi-residential property abatement period from six years to 10 years and add an additional area, 1st Avenue & 17th Street Urban Revitalization Area to the Consolidated Urban Revitalization Plan.

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 an Amended Consolidated Urban Revitalization Plan, including 1st Avenue and 17th Street Urban Revitalization Area, in accordance with Chapter 404 of the Iowa Code and has scheduled the matter for City Council consideration.

Discussion

City Council approved the Consolidated Urban Revitalization Plan April 22, 2024 with Ordinance 6603. The Consolidated Plan includes the 17 current Urban Revitalization Area Plans. Community Development is proposing adding an additional Urban Revitalization Area and extending the period of abatement for new construction multi-family housing developments.

Two updates are included in the Consolidated Plan - Amendment 1:

1. Multi-Family Housing Development-New Construction: In the current Consolidated Urban Revitalization Plan is six years, we are wanting to extend the time period to 10 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 that has conceptual plans of adding approximately 20 housing units with a mix of one and two bedroom units. It is located south of 1st Avenue inbetween 17th Street and 18th Street. The area is comprised of 2.53 acres, more or less, of land. If the 1st Avenue and 17th Street Urban Revitalization Area is approved, the project as proposed could be eligible for full exemption from taxation for 10 years.

Although Chapter 404 of the Iowa Code does not specifically require review by the City Planning Commission, staff believes that such review is appropriate.

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:

- Amending the multi-family development for new construction exemption from six years to 10 years.
- The proposed 1st Avenue and 17th Street Urban Revitalization Area furthers the goals of the City's Comprehensive Plan.
- The 1st Avenue and 17th Street 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 approval to update new construction multi-residential property abatement period to 10 years and add an additional area, 1st Avenue & 17th Street Urban Revitalization Area to the Consolidated Urban Revitalization Area.

Attachments

Attachment A – Draft of the Amended Consolidated Urban Revitalization Plan
Attachment B – Boundary Map for 1st Avenue and 17th Street Urban Revitalization Area

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