Council Communication

Department: Community Development Case/Project Nos.: 24-URV-001, 24-URV-002, 24-URV-003, 24-URV-004	Resolution No.: 25-	City Council: February 24, 2025

Subject/Title

Urban Revitalization Applications for the 2025 Tax Assessment Year (2024 calendar year)

Applicants

1) 24-URV-001: ABC Supply Company Inc.
2) 24-URV-002: The Archive
3) 24-URV-003: Edwards Auto Group
4) 24-URV-004: Opus Development Company

Locations

1) South Pointe Urban Revitalization Area (4525 S. 19th Street)
2) 1st Avenue Urban Revitalization Area (8 S. 6th Street)
3) South Expressway Urban Revitalization Area (3600 S. Expressway)
4) River Road Urban Revitalization Area (2441 River Road)

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 (3 or more units) is eligible for a 100% exemption for ten years.

Discussion

1. ABC Supply Company Inc.
   4525 S. 19th Street
   South Point Subdivision Phase 2 PT LT 5 Comm NW Cor LT 5 TH E627.07' SW309.74' W541.45' N298.24' To POB
   Parcel No. 744414176010

In 2024, ABC Supply Company Inc began its improvements on their commercial building. In 2024, the total investment was $405,596.

Construction will be completed June 2025. ABC Supply Company Inc. 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.

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

a) The request is in conformance with the South Pointe Urban Revitalization Plan.
b) The request pertains to property improvements located within a designated urban revitalization area.
c) The request is for work completed in 2024 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 South Pointe Urban Revitalization Plan.
f) Building Permits have been issued.

2. The Archive
8 S. 6th Street
Bayless 1st Addition, Block 6, Lots 1 thru 5
Parcel No. 754436127002

In 2023, The Archive began the renovating project. In 2022, the total investment was $496,920. In 2023, the total investment was $534,300. In 2024, the total investment was $6,239,716. For a total investment of $7,270,936.

The project will be completed February 2025. They have requested a 100% exmption 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 1st Avenue Urban Revitalization Plan.
b) The request pertains to property improvements located within a designated urban revitalization area.
c) The request is for work completed in 2023 and 2024. 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 1st Avenue Urban Revitalization Plan.
f) Building permits were issued.

3. Edwards Auto Group
3600 S. Expressway
Country Club Acres Lots 5, 6, 7, 8 & Lot 4 EXC N3.5'
Parcel No. 744412377022

In 2024, Edwards Auto Group began building a new facility to house Kia dealership for sales and service. In 2024, the total investment was $910,000.

Construction will be completed November 2025. Edwards Auto Group 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 South Expressway Urban Revitalization Plan.
b) The request pertains to property improvements located within a designated urban revitalization area.
c) The request is for work completed in 2024 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 South Expressway Urban Revitalization Plan.
f) Building permits were issued.

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4. Opus Development Company LLC
   2441 River Road
   River Road Subdivision Replat 1 Lot 2
   Parcel No. 744404402002

In 2022, Opus Development Company LLC began its construction of a 236,000 square foot industrial building. In 2022, the total investment was $3,023,223. In 2023, the total investment was $13,384,949. In 2024, the total investment was $7,691,828. For a total investment of $24,100,000.

The project was completed December 2024. 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 River Road Urban Revitalization Plan.
b) The request pertains to property improvements located within a designated urban revitalization area.
c) The request is for work completed in 2024 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 were 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 2025 tax assessment year (2024 calendar year) as requested by ABC Supply Company Inc for the eligible property improvements located at 4525 S. 19th Street.

Recommendation #2: The Community Development Department recommends the City Council approve and adopt a resolution granting approval for tax abatement for the 2025 tax assessment year (2024 calendar year) as requested by The Archive for the eligible property improvements located at 8 S. 6th Street.

Recommendation #3: The Community Development Department recommends the City Council approve and adopt a resolution granting approval for tax abatement for the 2025 tax assessment year (2024 calendar year) as requested by Edwards Auto Group for the eligible property improvements located at 3600 S. Expressway.

Recommendation #4: The Community Development Department recommends the City Council approve and adopt a resolution granting approval for tax abatement for the 2025 tax assessment year (2024 calendar year) as requested by Opus Development Company LLC for the eligible property improvements located at 2441 River Road.