Council Communication

Department: Community Development Case/Project No.: N/A	Ordinance No.: Resolution No.: 25-	City Council: 4-7-2025 Public Hearing: 4-21-2025

Subject/Title

Resolution to set public hearing on the proposal to enter into a Development Agreement with CB Power Drive Partners, LP for the construction of a multi-family housing development within the Power Drive Housing Urban Renewal Area.

Location

Generally located along 35th Avenue and Power Drive (south of Sam's Club)

Background/Discussion

Background

In 2024, the City began working with Cornerstone Development to construct a 280 unit multi-family development at the intersection of 35th Avenue and Power Drive. Currently the project is vacant. City Council adopted the Power Drive Housing Urban Renewal Plan on March 24, 2025 (Resolution 25-77).

Discussion

Cornerstone is now ready to proceed with the multi-family project. The propose project will be 100% affordable serving households at or below 60% of the median family income. The project has been awarded 4% tax credits by the Iowa Finance Authority. Because the project is serving 100% LMI households, the City is able to provide up to 20 years of TIF by State Code.

The total project cost is approximately $30 million. Staff believes that the project will not proceed without assistance provided by the City for development costs. Therefore, an agreement for private development has been prepared which commits a 15-year tax increment financing rebate for the development in the amount of 75% of the attributable property taxes with a maximum incentive of $9 million. Additionally, the City will extend Power Drive from 35th Avenue to Veteran's Memorial Highway to assist with additional traffic flow in the area.

Staff Recommendation

The Community Development Department recommends approval of resolution to set the public hearing at 7:00pm on April 21, 2025 to authorizing the Mayor to execute an agreement for private development with CB Power Drive Partners, LP providing tax increment financing assistance for the construction of a 280 unit multi-family development.

Attachments

1. Notice of Public Hearing
2. Development Agreement
3. Resolution

Submitted by: Courtney Harter, Director, Community Development Department