

**VALLEY VIEW NORTH
URBAN RENEWAL PLAN**

for the

**VALLEY VIEW NORTH
URBAN RENEWAL AREA**

CITY OF COUNCIL BLUFFS, IOWA

May 2022

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**Valley View North Urban Renewal Plan
for the
Valley View North Urban Renewal Area**

City of Council Bluffs, Iowa

A. INTRODUCTION

The Valley View North Urban Renewal Plan (“Plan” or “Urban Renewal Plan”) for the Valley View North Urban Renewal Area (“Area” or “Urban Renewal Area”) has been developed to help local officials alleviate blighting conditions and influences and promote economic development in the City of Council Bluffs, Iowa (the “City”).

In order to achieve this objective, the City intends to undertake Urban Renewal activities pursuant to the powers granted to it under Chapter 403 of the *Code of Iowa*, as amended.

B. DESCRIPTION OF THE URBAN RENEWAL AREA

The Urban Renewal Area is described in Exhibit “A” and illustrated in Exhibit “B.”

The City reserves the right to modify the boundaries of the Area at some future date.

C. AREA DESIGNATION

With the adoption of this Plan, the City designates this Urban Renewal Area as blighted and appropriate for economic redevelopment.

D. BLIGHTED AREA DESIGNATION AND FINDINGS

The Urban Renewal Area is being created in order to remediate blighting influences in the Area and promote economic redevelopment. For the purposes of urban renewal, Iowa Code Section 403.17(5) defines a “blighted area” as follows:

“Blighted area” means an area of a municipality within which the local governing body of the municipality determines that the presence of a substantial number of slum, deteriorated, or deteriorating structures; defective or inadequate street layout; faulty lot layout in relation to size, adequacy, accessibility, or usefulness; insanitary or unsafe conditions; deterioration of site or other improvements; diversity of ownership, tax or special assessment delinquency exceeding the fair value of the land; defective or unusual conditions of title; or the existence of conditions which endanger life or property by fire and other causes; or any combination of these factors; substantially impairs or arrests the sound growth of a municipality, retards the provision of housing accommodations, or constitutes an economic or social liability and is a menace to the public health, safety, or welfare in its present condition and use. A disaster area referred to in section 403.5, subsection 7,

constitutes a “blighted area”. “Blighted area” does not include real property assessed as agricultural property for purposes of property taxation.

The City finds the following blighting conditions to exist in the Area, which in combination substantially impairs or arrests the sound growth of a municipality, retards the provision of housing accommodations, or constitutes an economic or social liability and is a menace to the public health, safety, or welfare in its present condition and use:

- Floodplain. The proposed area is primarily in a FEMA flood zone “AE,” which is a high-risk zone where flood has a 1% chance of occurring within a year. Elevations range from 886 feet to 1,046 feet. The site drains to the adjacent Mosquito Creek which is located on the opposite side of Valley View Drive. Additionally, the site sits below Interstate-80 which has an elevation of 1,030 feet and uses the site as flow to the Mosquito Creek. In order to properly develop the site, it must be raised out of the floodplain which will require significant grading.
- Utility Availability. The proposed area is currently served with sanitary sewer but does not have public water mains. The extension of these services must extend along Valley View Drive from Franklin Avenue to McPherson Avenue in order for development to occur. The extension is approximately 3,000 feet which has been cost prohibitive for site development. Additionally, the site is not served with storm water mains which will be required as well as standard on-site detention as required by City Ordinance.
- Traffic and Road. Valley View Drive is classified as a Minor Arterial road by the Iowa Department of Transportation (IDOT) with an average annual daily traffic (AADT) count of 5,600 vehicles per day. Franklin Avenue is considered a Major Collector road by IDOT with an AADT count of 3,360 vehicles per day. This traffic volume results in morning and afternoon traffic congestion. Additionally, the “T” intersection includes a right-turn channelizing island for northbound Valley View traffic. Southbound Valley View drivers turn left onto Franklin Avenue on the north side of the island yielding to northbound Valley View traffic. However, northbound drivers turning right onto Franklin Avenue use the south side of the island and must yield to the southbound drivers turning left. This configuration often leads to driver confusion.
- Site Configuration. The proposed area encompasses five linear parcels with shallow depths. The widest depth is 397 feet following a bend of Valley View Drive. The average lot depth outside of this point is 173 feet. For construction of a standard subdivision, the minimum width needed is 300 feet. This means the site use and layout is constrained and will require site-specific standards to be developed.

E. BASE VALUE

If the Urban Renewal Area is legally established, a Tax Increment Financing (TIF) Ordinance is adopted, and debt is certified prior to December 1, 2022, the taxable valuation as of January 1, 2021 for the property included in such TIF Ordinance will be considered the frozen “base valuation” of the taxable property within that area covered by the TIF Ordinance. If a TIF Ordinance is not adopted until a later date, or debt is not first certified prior to December 1, 2022,

the frozen “base value” will be the assessed value of the taxable property within that area covered by the TIF Ordinance as of January 1 of the calendar year preceding the calendar year in which the City first certifies the amount of any debt related to the Area.

F. DEVELOPMENT PLAN

The City of Council Bluffs has a general plan for the physical development of the City as a whole, outlined in the Bluffs Tomorrow: 2030 Comprehensive Plan, adopted in 2014 and last updated in 2015. The goals and objectives proposed in this Plan, and the urban renewal projects described herein, are in conformity with the land use policies and plans for the development of the City as a whole established in the Bluffs Tomorrow: 2030 Comprehensive Plan.

This Urban Renewal Plan does not in any way replace the City’s current land use planning or zoning regulation process. The land within the Area is anticipated to be zoned as R-3 and R-1.

The need, if any, for improved traffic, public transportation, public utilities, recreational and community facilities, or other public improvements within the Urban Renewal Area is set forth in this Plan. As the Area continues to develop, the need for public infrastructure extensions and upgrades will be evaluated and planned for by the City.

G. PLAN OBJECTIVES

Renewal activities are designed to eliminate blighting influences and to provide opportunities, incentives, and sites for community economic development purposes, and new residential development within the Area. More specific objectives for development, revitalization, and alleviation of blight conditions within the Urban Renewal Area are as follows:

1. To eliminate blighting influences and promote revitalization, through public action and commitment, or by providing incentives to private persons or businesses, to acquire, rehabilitate, renovate, demolish, and/or redevelop existing structures or property.
2. To achieve a diversified, well-balanced economy providing a desirable standard of living, creating job opportunities, and strengthening the tax base.
3. To plan for and provide sufficient land for commercial, industrial, and residential development and for redevelopment of blighted properties in a manner that is efficient from the standpoint of providing municipal services.
4. To help develop a sound economic base that will serve as the foundation for future growth, development, and revitalization.
5. To provide for the installation and upgrade of public works, infrastructure, storm water, sanitary sewer treatment, water treatment, and related facilities which alleviate blighting influences and contribute to the development of the Area.

6. To provide a more marketable and attractive climate for private investment through the use of various federal, state, and local incentives.
7. To stimulate through public action and commitment, private investment in new development in order to revitalize the community.
8. To enhance the health, safety, living environment, general character, and general welfare of the City.
9. To promote development utilizing any other objectives allowed by Chapter 403 of the *Code of Iowa*.

H. TYPES OF RENEWAL ACTIVITIES

To meet the objectives of this Urban Renewal Plan and to encourage the development of the Area, the City intends to utilize the powers conferred under Chapter 403 and Chapter 15A, *Code of Iowa* including, but not limited to, tax increment financing. Activities may include:

1. To undertake and carry out urban renewal projects through the execution of contracts and other instruments, including blight remediation projects.
2. To acquire property through a variety of means (purchase, lease, option, etc.) and to hold, clear, or prepare the property for redevelopment.
3. To dispose of property so acquired.
4. To provide for the construction of site-specific improvements, such as grading and site preparation activities, access roads and parking, fencing, utility connections, and related activities.
5. To demolish existing blighted structures and to clear property for future development in order to alleviate blighting conditions.
6. To arrange for or cause to be provided the construction or repair of public infrastructure, and facilities including, but not limited to, streets and sidewalks, traffic lights, pedestrian safety measures, water mains, sanitary sewers, storm sewers, or other public facilities in connection with urban renewal projects which serve to revitalize the Area and alleviate blighting conditions and/or promote development within the Area.
7. To make loans, forgivable loans, grants, tax rebate payments, or other types of grants or incentives to private persons or businesses for economic development, revitalization or blight remediation purposes, on such terms as may be determined by the City Council.
8. To use tax increment financing to facilitate urban renewal projects, including, but not limited to, financing to achieve a more marketable and competitive land offering price and to provide for necessary physical improvements and infrastructure.

9. To use tax increment revenues to help leverage grants, loans, or other assistance from the state and federal governments (such as providing the local match for such assistance) in support of projects or businesses that advance the objectives of this plan.
10. To borrow money and to provide security therefor.
11. To make or have made surveys and plans necessary for the implementation of the Urban Renewal Plan or specific urban renewal projects.
12. To fund or help finance programs that will directly benefit blight remediation.
13. To use any or all other powers granted by the Urban Renewal Act to develop and provide for improved economic and housing conditions for the City of Council Bluffs and the State of Iowa.

Nothing herein shall be construed as a limitation on the power of the City to exercise any lawful power granted to the City under Chapter 15, Chapter 15A, Chapter 403, Chapter 427B, or any other provision of the *Code of Iowa* in furtherance of the objectives of this Urban Renewal Plan.

I. ELIGIBLE URBAN RENEWAL PROJECTS

Although certain project activities may occur over a period of years, the eligible urban renewal projects under this Urban Renewal Plan include:

1. Public Improvements:

Urban Renewal Project Description	Estimated Time Period	Estimated Cost to be Funded by TIF	Rationale (why economic development and blight remediation is promoted)
Replace sanitary sewer, Franklin Avenue to McPherson Avenue	2026-2027	\$1,250,000	Utility improvements to increase capacity and promote redevelopment
Intersection improvements at Franklin Avenue and Valley View Drive	2024-2025	\$750,000	Road improvements and traffic control necessary to support increase in traffic
Total		Estimated Not to Exceed \$2,000,000	

2. Development Agreement:

A. *Jilla Development, LLC Development Agreement:* The City expects to consider a development agreement with Jilla Development, LLC (or a related entity) (the “Developer”), pursuant to which the Developer would eliminate blighting influences on the development property located in the Urban Renewal Area, extend the water main from Franklin Avenue to McPherson Avenue, and redevelop the property into 70-100 market rate residential units. Construction for the Minimum Improvements is anticipated to be completed by December 31, 2024. The parties also anticipate entering into a Minimum Assessment Agreement establishing a minimum assessed value for the completed Minimum Improvements of approximately \$9,000,000. In return for the Developer’s performance under the development agreement, the City would make annual grant payments to the Developer, using incremental taxes generated from the project, under the detailed terms of the agreement and following satisfaction of certain conditions in the agreement. The aggregate amount of the grants, which are subject to annual appropriation, is not expected to exceed \$1,200,000.

B. *Future Development Agreements:* The City expects to consider requests for development agreements for projects that are consistent with this Plan, as amended, in the City’s sole discretion. Such agreements are unknown at this time, but based on past history, and dependent on development opportunities and climate, the City expects to consider a broad range of incentives as authorized by this Plan, as amended, including, but not limited to, land, loans, grants, tax increment rebates, public infrastructure assistance, and other incentives. The costs of such development agreements will not exceed \$10,000,000.

3. Planning, Engineering Fees (for Urban Renewal Plans), Attorney Fees, Administrative, and Other Related Costs to Support Urban Renewal Projects and Planning:

Project	Estimated Date	Estimated Cost to be Funded by TIF Funds
Fees and Costs	Undetermined	\$50,000

J. FINANCIAL INFORMATION

1.	July 1, 2021, Constitutional Debt Limit	\$309,959,314
2.	Current Outstanding General Obligation Debt	\$58,265,000
3.	Proposed amount of indebtedness to be incurred: A specific amount of debt to be incurred for the Eligible Urban Renewal Projects has not yet been determined. This document is for planning purposes only. The estimated project costs in this Plan are estimates only and will be incurred and spent over a number of years. In no event will the City’s constitutional debt limit be exceeded. The City Council will consider each project proposal on a case-by-	\$13,250,000 This does not include financing costs related to debt issuance, which may be incurred over the life of the Area.

	case basis to determine if it is in the City’s best interest to participate before approving an urban renewal project or expense. It is further expected that such indebtedness, including interest on the same, may be financed in whole or in part with tax increment revenues from the Urban Renewal Area. Subject to the foregoing, it is estimated that the cost of the Eligible Urban Renewal Projects to be funded with tax increment revenues as described above will be approximately as stated in the next column:	
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K. URBAN RENEWAL FINANCING

The City of Council Bluffs intends to utilize various financing tools, such as those described below to successfully undertake the proposed urban renewal actions. The City has the statutory authority to use a variety of tools to finance physical improvements within the Area. These include:

A. Tax Increment Financing.

Under Section 403.19 of the *Code of Iowa*, urban renewal areas may utilize the tax increment financing mechanism to finance the costs of public improvements, economic development incentives, or other urban renewal projects. Upon creation of a tax increment district within the Area, by ordinance, the assessment base is frozen and the amount of tax revenue available from taxes paid on the difference between the frozen base and the increased value, if any, is segregated into a separate fund for the use by the City to pay costs of the eligible urban renewal projects. The increased taxes generated by any new development, above the base value, are distributed to the taxing entities, if not requested by the City, and in any event upon the expiration of the tax increment district.

B. General Obligation Bonds.

Under Division III of Chapter 384 and Chapter 403 of the *Code of Iowa*, the City has the authority to issue and sell general obligation bonds for specified essential and general corporate purposes, including the acquisition and construction of certain public improvements within the Area or incentives for development consistent with this Plan. Such bonds are payable from the levy of unlimited ad valorem taxes on all the taxable property within the City. It may be, the City will elect to abate some or all of the debt service on these bonds with incremental taxes from this Area.

The City may also determine to use tax increment financing to provide incentives such as cash grants, loans, tax rebates, or other incentives to developers or private entities in connection with the urban renewal projects identified in this Plan. In addition, the City may determine to issue general obligation bonds, tax increment revenue bonds or such other obligations, or loan agreements for the purpose of making loans or grants of public funds to private businesses located in the Area for urban renewal projects. Alternatively, the City may determine to use available funds for making such loans or grants or other incentives related to urban renewal projects. In any

event, the City may determine to use tax increment financing to reimburse the City for any obligations or advances.

Nothing herein shall be construed as a limitation on the power of the City to exercise any lawful power granted to the City under Chapter 15, Chapter 15A, Chapter 403, Chapter 427B, or any other provision of the *Code of Iowa* in furtherance of the objectives of this Urban Renewal Plan.

L. PROPERTY ACQUISITION/DISPOSITION

The City will follow any applicable requirements for the acquisition and disposition of property within the Urban Renewal Area.

M. RELOCATION

The City does not expect there to be any relocation required of residents or businesses as part of the proposed urban renewal project; however, if any relocation is necessary, the City will follow all applicable relocation requirements.

N. STATE AND LOCAL REQUIREMENTS

The City will comply with all State and local laws related to implementing this Urban Renewal Plan and its supporting documents.

O. SEVERABILITY

In the event one or more provisions contained in the Urban Renewal Plan shall be held for any reason to be invalid, illegal, unauthorized, or unenforceable in any respect, such invalidity, illegality, un-authorization, or unenforceability shall not affect any other provision of this Urban Renewal Plan, and this Urban Renewal Plan shall be construed and implemented as if such provisions had never been contained herein.

P. URBAN RENEWAL PLAN AMENDMENTS

This Urban Renewal Plan may be amended from time to time for a number of reasons including, but not limited to, adding or deleting land, adding or amending urban renewal projects, or modifying goals or types of renewal activities.

The City Council may amend this Plan in accordance with applicable State law.

Q. EFFECTIVE PERIOD

This Urban Renewal Plan will become effective upon its adoption by the City Council and shall remain in effect until terminated by the City Council. Notwithstanding anything to the contrary in the Urban Renewal Plan, during the life of this Plan, the City Council may designate all or any portion of the property covered by this Plan as a “tax increment area” and subject such property to the “division of revenue” under Iowa Code Section 403.19. The Urban Renewal Area is designated

as a blighted; therefore, the division of revenue from property in the Area has no statutory sunset under Iowa Code Chapter 403 (2021). The division of revenue shall continue for property in the Urban Renewal Area for the maximum period allowed by law.

At all times, the use of tax increment financing revenues (including the amount of loans, advances, indebtedness, or bonds which qualify for payment from the division of revenue provided in Iowa Code Section 403.19) by the City for activities carried out under the Urban Renewal Area shall be limited as deemed appropriate by the City Council and consistent with all applicable provisions of law.

EXHIBIT A
LEGAL DESCRIPTION OF VALLEY VIEW NORTH
URBAN RENEWAL AREA

A PARCEL OF LAND BEING A PORTION OF THE AUDITOR'S SUBDIVISION OF THE NORTHEAST QUARTER OF THE NORTHEAST QUARTER (NE1/4NE1/4), A PORTION OF THE AUDITOR'S SUBDIVISION OF THE SOUTHEAST QUARTER OF THE NORTHEAST QUARTER (SE1/4NE1/4), A PORTION OF THE AUDITOR'S SUBDIVISION OF THE SOUTHWEST QUARTER OF THE NORTHEAST QUARTER (SW1/4NE1/4), A PORTION OF THE AUDITOR'S SUBDIVISION OF THE NORTHWEST QUARTER OF THE SOUTHEAST QUARTER (NW1/4SE1/4) ALL IN SECTION 32 AND A PORTION OF THE AUDITOR'S SUBDIVISION OF THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER (SE1/4SE1/4) OF SECTION 29, ALL IN TOWNSHIP 75 NORTH, RANGE 43 WEST OF THE 5TH PRINCIPLE MERIDIAN, CITY OF COUNCIL BLUFFS, POTTAWATTAMIE COUNTY, IOWA, BEING MORE FULLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE SOUTH RIGHT-OF-WAY LINE OF FRANKLIN AVENUE AND THE WESTERLY RIGHT-OF-WAY LINE OF INTERSTATE 80;

THENCE WESTERLY ON SAID SOUTH RIGHT-OF-WAY LINE AND ON IT'S WESTERLY PROLONGATION, 315 FEET MORE OR LESS TO A POINT ON THE WESTERLY RIGHT-OF-WAY LINE OF VALLEY VIEW DRIVE;

THENCE NORTHEASTERLY ON SAID WESTERLY RIGHT-OF-WAY LINE AND ON IT'S NORTHERLY PROLONGATION, 3,171 FEET MORE OR LESS TO A POINT ON THE NORTHERLY RIGHT-OF-WAY LINE OF MCPHERSON AVENUE;

THENCE EASTERLY ON SAID NORTHERLY RIGHT-OF-WAY LINE, 536 FEET MORE OR LESS TO A POINT ON THE WESTERLY RIGHT OF WAY LINE OF SAID INTERSTATE 80;

THENCE SOUTHWESTERLY ON SAID WESTERLY RIGHT-OF-WAY LINE, 3,358 FEET MORE OR LESS TO THE POINT OF BEGINNING.

SAID PARCEL CONTAINS AN AREA OF 24.3 ACRES, MORE OR LESS.

EXHIBIT B
MAP OF VALLEY VIEW NORTH
URBAN RENEWAL AREA



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