Council Communication

Department: Community Development Case/Project No.:	Ordinance No.: N/A Resolution No.: 22-	Set Public Hearing: 1-10-22 PH & First Reading: 1-24-22

Subject/Title

A public hearing on the proposal to enter into a development agreement with Arbor Creek, LLC

Location

Legally described as Lot 2, Arbor Creek Subdivision, City of Council Bluffs, Pottawattamie County, Iowa to Neal Drickey. The property is generally located at the Northwest corner of College Road and Railroad Avenue.

Background/Discussion

Background

In October 2020, City Council approved Resolution 20-247 which authorized the sale of the property generally located at the northwest corner of College Road and Railroad Avenue to Neal Drickey, and all successors in interest. The developer proposed a 26-unit subdivision consisting of 12 townhomes and 14 detached single-family houses with an estimated increased assessed value of $2,604,000. In April 2021, Mr. Drickey closed on the property for a purchase price of $200,000.

Discussion

Staff has worked with Mr. Drickey's team to negotiate the terms of the development agreement. Drickey requested $1,610,000 in tax increment financing (TIF) to construct the 26-unit development of which 12 units (46.15%) will be sold to households at or below 80% of the median family income (MFI). Because the land is considered "greenfield development," the project must create low-and moderate-income (LMI) housing at a rate equal to the County LMI rate of 46.14%.

City Staff and the developer have agreed to the following terms for TIF assistance: 10 years 100% TIF rebate on the increment created not to exceed $1,610,000. Subject to the following:

- 100% rebate of eligible expenses to complete public infrastructure improvements up to $900,000
- 100% rebate up to $1,610,000 less the cost of infrastructure if 46% of units created are sold to qualified households at or below 80% MFI.

The City shall utilize its LMI Housing Fund for the 10-year period to meet the above requirement.

Staff Recommendation

Staff recommends approving the resolution and authorizing execution of a Development Agreement by and between the City of Council Bluffs and Arbor Creek, LLC

Attachments

1) Resolution
2) Public Hearing
3) Arbor Creek, LLC Development Agreement