Council Communication

Department: Community Development Case/Project Nos.: 22-URV-001, 22-URV-002, 22-URV-003, 22-URV-004 & 22-URV-005	Ordinance No.: N/A Resolution Nos.: 22-	City Council: February 14, 2022

Subject/Title

Urban Revitalization Applications for the 2022 Tax Assessment Year (2021 calendar year)

Applicants

1) 22-URV-001: McGregor Interests Council Bluffs QOF, LLC
2) 22-URV-002: Fox Run, LLC
3) 22-URV-003: Donald P-Janice R Larsen Trust (Larsen Supply)
4) 22-URV-004: Amazon.com Services, LLC
5) 22-URV-005: BJA Investments, LLC (Arrow Towing)

Locations

1) Veterans Memorial Highway Urban Revitalzation Area (706 Veterans Memorial Highway)
2) Council Pointe Urban Revitalization Area (4802 Council Pointe Road)
3) South Pointe Urban Revitalization Area (4102 S 21st Street)
4) South Pointe Urban Revitalization Area (3860 S 24th Street)
5) South 19th Street Urban Revitalization Area (605 S 15th Street)

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 new construction (12 or more units) is eligible for a 100% exemption for four years and multi-family rehabilitation (3 or more units) may be eligible for a 100% exemption for ten years.

Discussion

1. McGregor Interests Council Bluffs QOF, LLC
   706 Veterans Memorial Highway
   The North 660 feet of the NE ¼ SW ¼ SW ¼ of Section 12-74-44, except the West 250 feet, and the West 16.5 feet of the South 20 feet north of the highway in the SE ¼ SW ¼ of Section 12-74-44
   Parcel No. 744412351011

In July 2020, McGregor Interests began construction on its commercial storage facility to be known as "Lockbox Storage." The proposed project will construct eight (8) storage buildings on the property ranging in size from 6,000 square feet to 23,250 square feet. The largest building is proposed to be the only climate-controlled structure on site

and will be located on the southwest corner of the subject property. A 450-square foot office area will be located on the southeast corner of said building. An eight-foot fence is proposed to enclose the subject property.

Construction was completed in December 2021. In 2021, an investment of $1,553,418.25 was made. The total investment was $4,986,754.75. McGregor Interests has requested partial tax exemption for a ten year period. 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 Veterans Memorial Highway Urban Revitalization Plan (expires 2040).
b) The request pertains to property improvements located within a designated urban revitalization area.
c) The request is for work completed in 2021 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 Veterans Memorial Highway Urban Revitalization Plan.
f) Building permits have been issued and the project has received a temporary certificate of occupancy.

2. Fox Run, LLC
   4802 Council Pointe Road
   Lot 1, Fox Run Landing Replat Three
   Parcel N. 744415402001

In 2018, Heritage Communities requested the establishment of a new urban revitalization area for their property located along Macineery Drive, now Council Pointe Road. The facility was completed in 2021 and consists of a two-story building with a combined total of 85,850 square feet of space. The first floor will have 52,187 square feet and will contain 18 assisted living memory care units, 20 independent living apartments along with amenity and leisure space for the residents. The second floor has 33,363 square feet and will contains 26 independent living apartments along with amenity space for the residents. In 2021, the total investment was $3,919,339.00.

The project was completed in 2021. They have requested a 100% exemption for four years, which is allowed because the project is classified as multi-family new construction.

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

a) The request is in conformance with the Council Pointe Urban Revitalization Plan (expires 2035).
b) The request pertains to property improvements located within a designated urban revitalization area.
c) The request is for work completed in 2021 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 Council Pointe Urban Revitalization Plan.
f) A certificate of occupancy has been issued.

3. Donald P-Janice R Larsen Trust (Larsen Supply)
   4102 South 21st Street
   Lot 1, Rogers Auto Subdivision
   Parcel No. 744411353002

In 2021, Larsen Supply began its construction on its 15,000 square feet building to accomdate company growth. In 2021, an investment of $34,100 was made. Larsen Supply has requested full tax exemption for a three-year period. 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 Pointe Urban Revitalization Plan (expires 2041).
b) The request pertains to property improvements located within a designated urban revitalization area.
c) The request is for work completed in 2020 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.

A building permit has been issued.

4. Amazon.com Services, LLC
   3860 S 24th Street
   Lot 1, South 24th and Highway 275 Industrial Subdivision
   Parcel No. 744410400006

In 2021, Amazon began construction on its distribution facility. The proposed project will a 270,000 sf facility on 50 acres of land for the primary use of middle mile distribution and logistics. Construction is expected to be completed by April 2022. In 2021, an investment of $ 30,000,000 was made. The total investment is expected to be $75,000,000.00. Amazon has requested partial tax exemption for a ten year period. 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 Pointe Urban Revitalization Plan (expires 2041).
b) The request pertains to property improvements located within a designated urban revitalization area.
c) The request is for work completed in 2021 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.

5. BJA Investments, LLC (Arrow Towing)
   605 S 15th Street
   Lots 1 through 4, Block 27, Everetts Addition
   Parcel No. 754435264010

In 2021, Arrow Towing completed an expansion and remodel of its office space located at 605 S 15th Street. The current project included an office expansion and remodel, addition of employee break room, addition of enclosed climate controlled customer area, remodel of the shop interior, and creation of additional storage. Includes new flooring, LED lighting, HVAC, fire suppression, plumbing, security alarm, painting, framing, drywall, acoustical suppression. The total investment was $119,147.00. BJA Investments has requested full tax exemption for a three year period.

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

f) The request is in conformance with the South 19th Street Urban Revitalization Plan (expires 2024).
g) The request pertains to property improvements located within a designated urban revitalization area.
h) The request is for work completed in 2021 and all appropriate materials have been submitted within the timeframe required for abatement.
i) The request is consistent with Chapter 404 of the Iowa Code and applicable city ordinances.
j) The property is classified as commercial and is consistent with the eligibility criteria contained in the South 19th Street Urban Revitalization Plan.
k) Building permits were received and work was completed as outlined in accordance with City Code.

Council Communication

Staff Recommendations

Recommendation #1: The Community Development Department recommends the City Council approve and adopt a resolution granting approval for tax abatement for the 2022 tax assessment year (2021 calendar year) as requested by McGregor Interests Council Bluffs QOF, LLC for the eligible property improvements located at 706 Veterans Memorial Highway.

Recommendation #2: The Community Development Department recommends the City Council approve and adopt a resolution granting approval for tax abatement for the 2022 tax assessment year (2021 calendar year) as requested by Fox Run, LLC for the eligible property improvements located at 4802 Council Pointe Road.

Recommendation #3: The Community Development Department recommends the City Council approve and adopt a resolution granting approval for tax abatement for the 2022 tax assessment year (2021 calendar year) as requested by Donald P-Janice R Larsen Trust (Larsen Supply) for the eligible property improvements located at 4102 S 21st Street.

Recommendation #4: The Community Development Department recommends the City Council approve and adopt a resolution granting approval for tax abatement for the 2022 tax assessment year (2021 calendar year) as requested by Amazon.com Services, LLCfor the eligible property improvements located at 3860 S 24th Street.

Recommendation #5: The Community Development Department recommends the City Council approve and adopt a resolution granting approval for tax abatement for the 2022 tax assessment year (2021 calendar year) as requested by BJA Investments, LLC (Arrow Towing) for the eligible property improvements located at 605 S 15th Street.