Council Communication

Department: Community Development Case/Project Nos.: URV-19-001, 19-URV-002, URV-19-003, URV-19-004 & URV-19-005	Ordinance No.: N/A Resolution Nos.: 19-	City Council: February 25, 2019

Subject/Title

Urban Revitalization Applications for the 2019 Tax Assessment Year (2018 calendar year)

Applicants

1) URV-19-001: PHS Council Bluffs, Inc.
2) URV-19-002: Bernard L. Glenn Trust
3) URV-19-003: Future Foam, Inc.
4) URV-19-004: Lake Creek Properties LLC
5) URV-19-005: 7 South 4th Street, LLC

Locations

1) Valley View Urban Revitalization Area (16 Valley View Drive)
2) South Pointe Urban Revitalization Area (4343 South 19th Street)
3) Bluffs Northway Urban Revitalization Area (1610 Avenue N)
4) Peterson School Urban Revitalization Area (2600 South 9th Street)
5) South Fourth Street Urban Revitalization Area (7 South 4th 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. PHS Council Bluffs, Inc.
16 Valley View Drive (Lot 3, New Horizon Subdivision)
(parcel number 7543 28 300 001)

In 2017, Presbyterian Homes Housing and Assisted Living, Inc. requested the establishment of a new urban revitalization area for their property located off Valley View Drive. The development consists of a multi-component project that will include independent living, assisted living, assisted living memory care, skilled

care and a "Town Center" with supportive and amenity space for all residents. The unit mix includes 36 independent living apartments (three story building over a one-story parking structure), 24 assisted living units, 18 memory care units and 68 care center suites (72 beds) beds for a total of 146 units. Future phases may include additional independent living apartments and brownstone apartments.

A two story "Town Center" building will connect all of the different project components. It will have approximately 21,000 square feet with an entry lobby, dining areas, bistro, commercial kitchen, community room, salon, wellness and fitness rooms, library and media center, mailroom, administrative offices, conference rooms and a guest suite. Special site and landscaping considerations will be designed to include Porte Cocheres at the Town Center, large windows, outdoor pathways, a water feature and garden. Additionally, connectivity to the New Horizon Church will be featured with a driveway and sidewalk adding synergy for programming and a volunteer base.

The project is designed to provide a full continuum for all levels of care and housing. This will allow residents to stay within the campus and maintain social connections for a stronger connected community.

The entire project is expected to cost over $38 million. Once all components of the project are completed, the equivalent of 95 full time positions will be created. These positions will range from skilled nursing, administrative, nutrition/culinary, engineering/maintenance, housekeeping/laundry, activity coordinators, spiritual care, wellness, resident services and clinical care workers such as home health aides/CNAs.

Construction started in September 2018 and likely will not be completed until January 2020. They have requested a 100% exemption for four years, which is allowed because the project is classified as multi-family new construction. Their 2018 project costs, as of December 31, 2018, total $6,972,018.61. 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 Valley View 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 2018 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 multi-residential and is consistent with the eligibility criteria contained in the Valley View Urban Revitalization Plan.
f) Building permits have been issued and the project appears to be consistent with all applicable city codes.

2. Bernard L. Glenn Trust
4343 South 19th Street (Lot 2, South Pointe Subdivision, Replat 1)
(parcel number 7444 14 127 003)

In 2009, Bernard and Marilyn Glenn constructed a 7,300 sq. ft. facility to be occupied by Protech. Protech sells and installs shelving designed for commercial vans and trucks, service bodies, lift gates and snow plows. A 6,800 sq. ft. building addition was added in 2018 for more shop and installation space.

Construction started in August of 2018 and is expected to be completed in February of 2019. The Bernard L. Glenn Trust has requested a partial exemption for ten years. Their 2018 project costs, as of December 31, 2018, total $488,855.00. Their cumulative total project investment for this expansion is $488,855.00. 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.
b) The request pertains to property improvements located within a designated urban revitalization area.
c) The request is for work completed in 2018 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 and the project appears to be consistent with all applicable city codes.

3. Future Foam, Inc.
1610 Avenue N (Lots 79-83 and the adjacent vacated alley, Belmont Addition)
(parcel number 7544 26 207 010)

In 2016, Future Foam, Inc. requested incentives for their proposed project adjacent to their property located near 1610 Avenue N. Their development proposal included the construction of a 5,600 square foot building to house the expansion of their corporate office particularly focused in the information technology, credit and collections departments.

Future Foam, Inc. started construction in May of 2017 and completed the construction in April of 2018. They have requested a 100% exemption for three years, which is allowed because the project is commercial. Their 2018 project costs, as of December 31, 2018, total $271,428.62. Their cumulative total project investment is $1,252,120.62. 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 Bluffs Northway 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 2018 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 Bluffs Northway Urban Revitalization Plan.
f) Building permits have been issued and the project appears to be consistent with all applicable city codes.

4. Lake Creek Properties LLC
2600 South 9th Street (Lots 11 through 24 and vacated North/South alley adjacent, Block 19, Bayliss 3rd Addition)
(parcel number 7444 01 352 002)

In 2018, Lake Creek Properties requested the establishment of a new urban revitalization area for a redevelopment project they were proposing in the former Peterson School Building. The new tenant of the building will be the EQ School of Hair Design, and will convert existing rooms into classrooms and studio space to accommodate the hair design school. There are no exterior building additions proposed at this time, though the new owner has proposed some exterior façade updates, and the construction of additional parking spaces.

Construction started in January 2018 and was completed in July 2018. They have requested a 100% exemption for three years. Their 2018 project costs, as of December 31, 2018, total $762,500.00. 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 Peterson School 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 2018 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 Peterson School Urban Revitalization Plan.
f) Building permits have been issued and the project appears to be consistent with all applicable city codes.

5. 7 South 4th Street, LLC

7 South 4th Street (Kellers Sub of Orig Plat Lot 175 Lots 3 thru 8, Orig Plat Lot 231 Lots 1 & 2, Orig Plat Lot 232 NWLY100' Lots 1 thru 3, Jacksons Add Lot 16 Block 2, strip between Orig Plat Lot 232 Lot 3 and Jacksons Add Lot 16 Block 2 & all vac alley adj lying N S Line N30' Lot 16 Block 2 Jacksons Add) (parcel number 7544 36 205 002)

7 South 4th Street, LLC submitted a development proposal to renovate the vacant YMCA building to construct a family entertainment center, called The Hub. The Hub will house a variety of activities including: trampoline courts; ninja warrior course; cheerleading and tumbling club; 4 multi-use rooms; childcare center licensed for 34 children; and coffee shop to accommodate waiting adults.

The developer started construction in January 2018 and completed the construction in June 2018. They have requested a partial exemption for ten years, which is allowed because the project is commercial. Their 2018 project costs, as of December 31, 2018, total $1,583,393.00. Their cumulative total project investment is $1,583,393.00. 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 Fourth Street 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 2018 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 Fourth Street Urban Revitalization Plan.
f) Building permits have been issued and the project appears to be consistent with all applicable city codes.

Staff Recommendations

Recommendation #1: The Community Development Department recommends the City Council approve and adopt a resolution granting approval for tax abatement for the 2019 tax assessment year (2018 calendar year) as requested by PHS Council Bluffs, Inc. for the eligible property improvements located at 16 Valley View Drive.

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Recommendation #2: The Community Development Department recommends the City Council approve and adopt a resolution granting approval for tax abatement for the 2019 tax assessment year (2018 calendar year) as requested by Bernard L. Glenn Trust for the eligible property improvements located at 4343 South 19th Street.

Recommendation #3: The Community Development Department recommends the City Council approve and adopt a resolution granting approval for tax abatement for the 2019 tax assessment year (2018 calendar year) as requested by Future Foam, Inc. for the eligible property improvements located at 1610 Avenue N.

Recommendation #4: The Community Development Department recommends the City Council approve and adopt a resolution granting approval for tax abatement for the 2019 tax assessment year (2018 calendar year) as requested by Lake Creek Properties LLC for the eligible property improvements located at 2600 South 9th Street.

Recommendation #5: The Community Development Department recommends the City Council approve and adopt a resolution granting approval for tax abatement for the 2019 tax assessment year (2018 calendar year) as requested by 7 South 4th Street, LLC for the eligible property improvements located at 7 South 4th Street.

Attachments

The urban revitalization applications for the five projects listed above have been provided under separate cover.

Submitted by: Brenda Carrico, Program Coordinator, Community Development Department
Approved by: Brandon Garrett, Director, Community Development Department