Council Communication

Department: Community Development CASE # URV-20-001	Resolution No. _____ Ordinance No. _____	City Council: 3-23-2020 Planning Commission: 4-14-2020 City Council Public Hearing: 5-4-2020 1st Reading: 5-4-2020 2nd Reading: 5-18-2020 3rd Reading: REQUEST TO WAIVE

Subject/Title

Establishment of the Veterans Memorial Highway Urban Revitalization Area.

Location

706 Veterans Memorial Highway (Tomes RV Park)

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.

McGregor Interests, Inc. has a purchase agreement with the current owner of the subject property and intends to redevelop it as a commercial storage facility to be known as 'Lockbox Storage.' The proposed location at 706 Veterans Memorial Highway will be one of the multiple locations of 'Lockbox Storage' across Iowa and Nebraska.

McGregor Interests, Inc. proposes to construct eight storage buildings on the subject property. The submitted site plan shows that the proposed structures will range 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 will enclose the property. The total investment will be $4.5 million.

The property is currently assessed at $410,000, which generates $11,534 in property taxes annually.

Discussion

Iowa Code permits the City to establish urban revitalization areas, which satisfy one of the five conditions outlined in Section 404.1.

Staff believes this project meets the criteria under 404.1.2: An area which by reason of the presence of a substantial number of deteriorated or deteriorating structures, predominance of defective or inadequate street layout, incompatible land use relationships, faulty lot layout in relation to size, adequacy, accessibility or usefulness, unsanitary or unsafe conditions, deterioration of site or other improvements, diversity of ownership, tax or special assessment

delinquency exceeding the actual 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 a combination of such 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.

On March 23, 2020, City Council approved Resolution 20-69, which directed staff to initiate the process of creating the Veterans Memorial Highway Urban Revitalization Plan and Area. This resolution set May 4, 2020 as the date of the public hearing.

This matter was brought before the City Planning Commission at their April 14, 2020 meeting. The Commission found the following: 1) That the proposed Veterans Memorial Highway Urban Revitalization Plan furthers the goals of the City's *Bluffs Tomorrow: 2030 Plan,* which is the general plan for the development of the City of Council Bluffs; and 2) That the Veterans Memorial Highway Urban Revitalization Area is an area appropriate for urban revitalization as specified in Section 404.1.2. Section 404.1.2 discusses areas that are appropriate under substantial deteriorated or deteriorating structures as defined by Section 403.17.

Property owners were notified and no written correspondence was received by the Community Development Department either in support or against the proposed plan. Concurrent with the adoption of an urban revitalization plan, an ordinance establishing the urban revitalization area can be considered. Upon adoption of the area and approval of an ordinance, the City is permitted to grant tax abatement to qualified projects.

Staff Recommendation

The Community Development Department recommends City Council establish an urban revitalization plan and area for 706 Veterans Memorial Highway based on the following:

1. The current property is in poor condition and needs significant site improvements to be redeveloped.
2. The proposed project will substantially increase the taxable value of the parcel.
3. The proposed project will improve the aesthetics of Veterans Memorial Highway, a major thoroughfare in the city.

Public Hearing

1. Speakers in favor: Christopher Gibbons, Planning Manager, City of Council Bluffs
2. No one appeared in opposition.

Planning Commission Recommendation

The Planning Commission recommends approval of the Veterans Memorial Highway Urban Revitalization Plan and Area (Motion Holm, Seconded Halm).

VOTE: AYE 9 NAY 0 ABSTAIN 0 ABSENT 2 Motion: Carried

Attachments

Boundary Map
Veterans Memorial Highway Urban Revitalization Plan

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Veterans Memorial Highway Urban Revitalization Plan – Boundary Map

