Council Communication

Department: Community Development Case/Project Nos.: 21-URV-001, 21-URV-002, 21-URV-003, 21-URV-004 & 21-URV-005	Ordinance No.: N/A Resolution Nos.: 21-	City Council: February 22, 2021

Subject/Title

Urban Revitalization Applications for the 2021 Tax Assessment Year (2020 calendar year)

Applicants

1) 21-URV-001: Gordman Bluffs Northway, LLC
2) 21-URV-002: Immanuel Elderly Housing II, LLC
3) 21-URV-003: PHS Council Bluffs, Inc.
4) 21-URV-004: McGregor Interests Council Bluffs QOF, LLC
5) 21-URV-005: C1-Council Bluffs, LLC

Locations

1) Bluffs Northway Urban Revitalization Area (1700-1760 North 16th Street)
2) College Road Urban Revitalization Area (1681 College Road)
3) Valley View Urban Revitalization Area (16 Valley View Drive)
4) Veterans Memorial Highway Urban Revitalzation Area (706 Veterans Memorial Highway)
5) South Pointe Urban Revitalization Area (4700 Gifford Road)

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. Gordman Bluffs Northway, LLC
   1700-1760 North 16th Street
   Lot 2, Walmart Bluffs Northway
   Parcel No. 754423405004

In 2020, Gordman Bluffs Northway, LLC completed additional remodeling of its multi-business building space to accommodate new tenants for a total investment of $355,236.81. Gordman 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.

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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 (expires 2028).
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 industrial and is consistent with the eligibility criteria contained in the Bluffs Northway Urban Revitalization Plan.
f) Certificate of completion has been issued by the Building Division.

2. Immanuel Elderly Housing II, LLC
   1681 College Road
   Lot 1, New Horizon Subdivision Replat
   Parcel No. 754328301001

In 2017, Immanuel Pathways requested the establishment of a new urban revitalization area for their property located along College Road across from Reiver Lane. Graceview Courtyard consists of 56 low income independent living units for adults over 55 years of age and will provide related programs for seniors to meet the physical, emotional, recreational, social and religious needs of aged persons. The project created two new full-time equivalent positions. In 2020, the total investment was $706,240.96.

The project was completed in 2020. 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 College Road 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 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 College Road Urban Revitalization Plan.
f) A certificate of occupancy has been issued.

3. PHS Council Bluffs, Inc.
   16 Valley View Drive
   Lot 3, New Horizon Subdivision
   Parcel No. 754328300001

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 includes 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) for a total of 146 units. Future phases may include additional independent living apartments and brownstone apartments.

A two story "Town Center" building connects 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.

Construction was completed in May 2020. They have requested a 100% exemption for four years, which is allowed because the project is classified as multi-family new construction. Their 2020 project costs total $5,431,789.91.

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 (expires 2035).
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 multi-residential and is consistent with the eligibility criteria contained in the Valley View Urban Revitalization Plan.
f) A certificate of occupancy has been issued.

4. 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 is expected to be completed in December 2021. In 2020, an investment of $3,453,336.50 was made. The total investment is expected to be $4,853,000.00. 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 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 Veterans Memorial Highway Urban Revitalization Plan.
f) Building permits have been issued and the project has received a temporary certificate of occupancy.

5. C1-Council Bluffs, LLC
   4700 Gifford Road
   Lot 4, Parcel 19019, South Pointe Subdivison Phase II
   Parcel No. 744414176009

In 2020, CyrusOne completed its construction on its 118,075 square feet data center facilty. The development includes approximately 8,500 square feet of office space, 10,000 square feet of loading dock space and 100,000 square feet of data warehouse space. In 2020, an investment of $59,874,171 was made. CyrusOne 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.

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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 2038).
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.
f) A certificate of completion has been issued.

Staff Recommendations

Recommendation #1: The Community Development Department recommends the City Council approve and adopt a resolution granting approval for tax abatement for the 2021 tax assessment year (2020 calendar year) as requested by Gordman Bluffs Northway, LLC for the eligible property improvements located at 1700-1760 North 16th Street.

Recommendation #2: The Community Development Department recommends the City Council approve and adopt a resolution granting approval for tax abatement for the 2021 tax assessment year (2020 calendar year) as requested by Immanuel Elderly Housing II, LLC for the eligible property improvements located at 1681 College Road.

Recommendation #3: The Community Development Department recommends the City Council approve and adopt a resolution granting approval for tax abatement for the 2021 tax assessment year (2020 calendar year) as requested by PHS Council Bluffs, Inc. for the eligible property improvements located at 16 Valley View Drive.

Recommendation #4: The Community Development Department recommends the City Council approve and adopt a resolution granting approval for tax abatement for the 2021 tax assessment year (2020 calendar year) as requested by McGregor Interests Council Bluffs QOF, LLC for the eligible property improvements located at 706 Veterans Memorial Highway.

Recommendation #5: The Community Development Department recommends the City Council approve and adopt a resolution granting approval for tax abatement for the 2021 tax assessment year (2020 calendar year) as requested by C1-Council Bluffs, LLC for the eligible property improvements located at 4700 Gifford Road.