Council Communication

Department: Community Development Case No.: URN-21-01 Applicant: Community Development Department	Resolution No.: 10-	City Council: 4-26-2021 Planning Commission: 5-11-2021 First Reading: 5-24-2021 Second Reading: 6-14-2021 Third Reading: Request Waive

Subject/Title

Creation and adoption of the New Horizon Urban Renewal Plan

Location

Generally located at 1621 College Road

Background/Discussion

Background

In February 2021, the City Council approved the preliminary plan for a 36-unit residential subdivision to be known as New Horizon Subdivision, Replat 3. The developer has requested the City create an Urban Renewal Area to utilize tax increment financing (TIF) which will be used to complete the required infrastructure. This cost is estimated at approximately $600,000.

In order to invoke its urban renewal powers, the City Council must agree to designate the subject property an Urban Renewal Area, adopt an Urban Renewal Plan and negotiate a development agreement with the Developer. Assistance in the form of an urban renewal project area, conforming to the Section 403 of Iowa Code, is necessary to acquire land; improve regulatory control; improve public infrastructure and facilities; and to allow for private development of vacant land. Because the property is considered "greenfield" development, Chapter 403 of the Iowa Code requires the developer to meet the requirement of assisting low-and moderate-income households. This rule states that housing development projects must provide TIF revenue equal to the county-wide low-to-moderate income (LMI) percentage which is 48.15% in Pottawattamie County. The developer agrees to provide these dollars back in the form of a affordable housing account that will be established by the City.

Assistance in the form of an urban renewal project area, conforming to the Section 403 of Iowa Code, is necessary to acquire land; improve regulatory control; improve public infrastructure and facilities; and to allow for private development of vacant land.

Discussion

On April 26, 2021, the City Council passed a resolution of necessity which directed staff to initiate the process of creating the New Horizon Urban Renewal Plan and Area. This resolution established the following actions and timeframes:

May 4, 2021	Consultation hearing with affected taxing jurisdictions
May 11, 2021	City Planning Commission hearing and review
May 24, 2021	City Council public hearing

The consultation hearing was held on May 4, 2021 and no public attended. Additionally, no written

correspondence has been received by the Community Development Department either in support or against the proposed plan.

Iowa statutes require the City Planning Commission to review the plan for conformity to the comprehensive plan and to forward a recommendation to City Council prior to the public hearing. This was held May 11, 2021 and Planning Commission recommended approval of the College Road URN with a 6-0 vote.

Urban renewal assistance has been requested to create new economic development through residential hosuing in the area. The resulting private development of land will be assisted to ensure adequate urban densities can be achieved which can sustain municipal services and facilities. Staff has reviewed the owner's proposal and believes the use of urban renewal/tax increment financing (TIF) is appropriate. A separate development agreement will be negotiated between the City Council and Robert McCarthy regarding the specifics of the TIF incentives.

Staff Recommendation

The Community Development Department recommends approval of the New Horizon Urban Renewal Plan and Area and first consideration of the TIF ordinance.

Planning Commission Recommendation

The City Planning Commission recommended approval of the College Road URN with a 6-0 vote. Commission members Bass, Rater, Stroebele, Scott, Halm, and Hutcheson all recommended approval as per staff's recommendation.

Attachments

1) The New Horizon Urban Renewal Plan
2) Resolution
3) TIF Ordinance

Submitted by: Courtney Harter, Housing and Economic Development Manager, Community Development Department