NEW HORIZON
URBAN RENEWAL PLAN

for the

NEW HORIZON
URBAN RENEWAL AREA

CITY OF COUNCIL BLUFFS, IOWA

May 2021

Final Version

TABLE OF CONTENTS

SECTION

A. INTRODUCTION

B. DESCRIPTION OF THE URBAN RENEWAL AREA

C. AREA DESIGNATION

D. BASE VALUE

E. DEVELOPMENT PLAN

F. RESIDENTIAL DEVELOPMENT

G. PLAN OBJECTIVES

H. TYPES OF RENEWAL ACTIVITIES

I. ELIGIBLE URBAN RENEWAL PROJECTS

J. FINANCIAL INFORMATION

K. URBAN RENEWAL FINANCING

L. PROPERTY ACQUISITION/DISPOSITION

M. RELOCATION

N. STATE AND LOCAL REQUIREMENTS

O. SEVERABILITY

P. URBAN RENEWAL PLAN AMENDMENTS

Q. EFFECTIVE PERIOD

EXHIBITS

A. LEGAL DESCRIPTION OF NEW HORIZON URBAN RENEWAL AREA

B. NEW HORIZON URBAN RENEWAL AREA MAP

New Horizon Urban Renewal Plan
for the
New Horizon Urban Renewal Area
City of Council Bluffs, Iowa

A. INTRODUCTION

The New Horizon Urban Renewal Plan ("Plan" or "Urban Renewal Plan") for the New Horizon Urban Renewal Area ("Area" or "Urban Renewal Area") has been developed to help local officials respond to and promote economic development in the City of Council Bluffs, Iowa (the "City"). The primary goal of the Plan is to stimulate, through public involvement and commitment, private investment in new housing and residential development as defined in the *Code of Iowa* Section 403.17(12).

In order to achieve this objective, the City intends to undertake urban renewal activities pursuant to the powers granted to it under Chapter 403 and Chapter 15A of the *Code of Iowa*, as amended.

B. DESCRIPTION OF THE URBAN RENEWAL AREA

The Urban Renewal Area is described in Exhibit "A" and illustrated in Exhibit "B." The Urban Renewal Area has never previously been subject to the division of revenue under Iowa Code 403.19 as a residential project.

The City reserves the right to modify the boundaries of the Area at some future date.

C. AREA DESIGNATION

With the adoption of this Plan, the City designates this Urban Renewal Area as an economic development area that is appropriate for the provision of public improvements related to housing and residential development.

D. BASE VALUE

If the Urban Renewal Area is legally established, a Tax Increment Financing (TIF) ordinance is adopted to establish a TIF district in the Area, and debt related to the Area is certified prior to December 1, 2021, the taxable valuation as of January 1, 2020, will be considered the frozen "base valuation" for the portion of the Urban Renewal Area identified in the TIF ordinance. If a TIF ordinance is not adopted until a later date, or debt is not first certified prior to December 1, 2021, the frozen "base value" will be the assessed value of the taxable property within that area covered by the TIF ordinance as of January 1 of the calendar year preceding the calendar year in which the City first certifies the amount of any debt related to the Area, in accordance with Iowa Code Section 403.19. It may be that more than one ordinance will be adopted within the Area. If so, the frozen base values may vary among subareas of the Area.

E. DEVELOPMENT PLAN

Council Bluffs has a general plan for the physical development of the City as a whole, outlined in the Bluffs Tomorrow: 2030 Comprehensive Plan, adopted in 2014 and updated in 2015. The goals and objectives identified in this Plan, and the urban renewal projects described herein, are in conformance with the goals and land use policies identified in the Comprehensive Plan.

This Urban Renewal Plan does not in any way replace the City's current land use planning or zoning regulation process. The land within the Area is currently zoned as R-2.

The need, if any, for improved traffic, public transportation, public utilities, recreational and community facilities, or other public improvements within the Urban Renewal Area, is set forth in this Plan. As the Area develops, the need for public infrastructure extensions and upgrades will be evaluated and planned for by the City.

F. RESIDENTIAL DEVELOPMENT

The City's objective for the Urban Renewal Area is to promote new housing and residential development. The City realizes that the availability of housing is an important component of attracting new business and industry, responding to new development, and retaining existing businesses.

In anticipation of expected economic development, the City has taken the position of supporting the creation of new housing opportunities, including increasing the number of lots available for the construction of new houses. Providing incentives to developers may ease the cost of extending necessary infrastructure and other factors that can make residential development risky and less profitable than other types of development.

When a city utilizes tax increment financing to support residential development (such support is limited to reimbursement of "public improvement" costs, as defined by Iowa law), a percentage of the incremental revenues (or other revenues) generated by the development must be used to provide assistance to low and moderate income (LMI) families. LMI families are those whose incomes do not exceed 80% of the median Pottawattamie County income.

Unless a reduction is approved by the Iowa Economic Development Authority, the amount of incremental revenues (or other revenues) to be provided for low and moderate income family housing in the community shall be either equal to or greater than the percentage of the original project costs (i.e., the amount of TIF funds used to reimburse infrastructure costs serving the housing development in the Area) that is equal to the percentage of LMI families living in Pottawattamie County. That percentage is currently 46.14%.

The requirement to provide assistance for LMI housing may be met by one, or a combination, of the following three options:

1. Providing that at least 46.14% of the units constructed in the Area are occupied by residents and/or families whose incomes are at or below 80% of the median county income;

2. Setting aside an amount equal to or greater than 46.14% of the project costs to be used for LMI housing activities anywhere in the City; or

3. Ensuring that 46.14% of the houses constructed within the Area are priced at amounts affordable to LMI families.

If funds are set aside, as opposed to constructing a sufficient percentage of LMI housing in the Area, the assistance for LMI family housing may be provided anywhere within the City. The type of assistance provided must benefit LMI residents and/or families and may include, but is not limited to:

1. Construction of LMI affordable housing.

2. Owner/renter-occupied housing rehabilitation for LMI residents and/or families.

3. Grants, credits, or other direct assistance for LMI residents and/or families.

4. Homeownership assistance for LMI residents and/or families.

5. Tenant-based rental assistance for LMI residents and/or families.

6. Down payment assistance for LMI residents and/or families.

7. Mortgage interest buy-down assistance for LMI residents and/or families.

8. Under appropriate circumstances, the construction of public improvements that benefit LMI residents and/or families.

G. PLAN OBJECTIVES

Renewal activities are designed to provide opportunities, incentives, and sites for new residential development within the Area. More specific objectives for development within the Urban Renewal Area are as follows:

1. To increase the availability of housing opportunities, which may, in turn, attract and retain area industries and commercial enterprises that will strengthen and revitalize the economy of the State of Iowa and the City of Council Bluffs.

2. To stimulate, through public action and commitment, private investment in new housing and residential development and redevelopment. The City realizes that the availability of affordable, decent, safe, and sanitary housing is important to the overall economic viability of the community.

3. To plan for and provide sufficient land for residential development in a manner that is efficient from the standpoint of providing municipal services.

4. To help finance the cost of constructing public utility and infrastructure extensions and improvements in support of residential development.

5. To improve housing conditions and increase housing opportunities, including LMI families and/or individuals.

6. To provide a more marketable and attractive investment climate through the use of various federal, state, and local incentives.

7. To encourage residential growth and expansion through governmental policies which make it economically feasible to do business.

8. To encourage residential development that meets the needs of a growing population, while preserving the character of the community.

9. To promote development utilizing any other objectives allowed by Chapter 403 of the *Code of Iowa*.

H. TYPES OF RENEWAL ACTIVITIES

To meet the objectives of this Urban Renewal Plan and to encourage the development of the Area, the City intends to utilize the powers conferred under Chapter 403 and Chapter 15A, *Code of Iowa* including, but not limited to, tax increment financing. Activities may include:

1. To undertake and carry out urban renewal projects through the execution of contracts and other instruments.

2. To provide for the construction of site-specific improvements, such as grading and site preparation activities, access roads and parking, fencing, utility connections, and related activities.

3. To arrange for, or cause to be provided, the construction or repair of public infrastructure in support of residential development, including, but not limited to, streets and sidewalks, traffic lights, water mains, sanitary sewers, storm sewers, public utilities, or other facilities in connection with urban renewal projects.

4. To make loans, forgivable loans, or other types of grants or incentives to private persons, organizations, or businesses for economic development purposes or residential projects, on such terms as may be determined by the City Council.

5. To use tax increment financing to facilitate urban renewal projects, including, but not limited to, financing to achieve a more marketable and competitive land offering price and to provide for necessary physical improvements and infrastructure.

6. To use tax increment for LMI housing assistance.

7. To borrow money and to provide security therefor.

8. To acquire and dispose of property.

9. To make or have made surveys and plans necessary for the implementation of the Urban Renewal Plan or specific urban renewal projects.

10. To use any or all other powers granted by the Urban Renewal Act to develop and provide for improved economic conditions for the City of Council Bluffs and the State of Iowa.

Nothing herein shall be construed as a limitation on the power of the City to exercise any lawful power granted to the City under Chapter 15, Chapter 15A, Chapter 403, Chapter 427B, or any other provision of the *Code of Iowa* in furtherance of the objectives of this Urban Renewal Plan.

I. ELIGIBLE URBAN RENEWAL PROJECTS

Although certain project activities may occur over a period of years, the eligible urban renewal projects under this Urban Renewal Plan include:

1. ***Development Agreement with Robert McCarthy:*** The City expects to consider a development agreement with Robert McCarthy (or a related entity) (the "Developer") for Developer to construct approximately 36 Housing Units and the public infrastructure improvements to support the development of those Housing Units within the Urban Renewal Area. The development agreement would provide detailed terms and conditions under which the City may make annual grant payments to the Developer in the amount of 100% of the Tax Increment generated by construction of the Housing Units remaining after any LMI assistance obligations have been satisfied for up to ten (10) fiscal years. The total amount of the grants is not to exceed the lesser of the amount calculated under the applicable formula during the ten fiscal years, $600,000, or the actual costs incurred by the Developer in constructing the public infrastructure improvements.

2. **Planning, Engineering Fees (for Urban Renewal Plans), Attorney Fees, Administrative, and Other Related Costs to Support Urban Renewal Projects and Planning:**

Project	**Estimated Date**	**Estimated Cost to be funded by TIF Funds**
Fees and Costs	Undetermined	Not to Exceed $50,000

J. FINANCIAL INFORMATION

1.	July 1, 2020, Constitutional Debt Limit	$229,442,288
2.	Current Outstanding General Obligation Debt	$51,170,000
3.	Proposed amount of indebtedness to be incurred: A specific amount of debt to be incurred for the Eligible Urban Renewal Projects has not yet been determined. This document is for planning purposes only. The estimated project costs in this Plan are estimates only and will be incurred and spent over a number of years. In no event will the City's constitutional debt limit be exceeded. The City Council will consider each project proposal on a case-by-case basis to determine if it is in the City's best interest to participate before approving an urban renewal project or expense. It is further expected that such indebtedness,	$650,000 plus the applicable percentage of LMI set-aside. This amount does not include financing costs related to debt issuance, which may be

	including interest on the same, may be financed in whole or in part with tax increment revenues from the Urban Renewal Area. Subject to the foregoing, it is estimated that the cost of the Eligible Urban Renewal Projects as described above to be funded by TIF Funds will be approximately as stated in the next column:	incurred over the life of the Area.

K. URBAN RENEWAL FINANCING

The City intends to utilize various financing tools such as those described below to successfully undertake the proposed urban renewal actions. The City has the statutory authority to use a variety of tools to finance physical improvements within the Area. These include:

A. Tax Increment Financing.

Under Section 403.19 of the *Code of Iowa*, urban renewal areas may utilize the tax increment financing mechanism to finance the costs of public improvements, economic development incentives, or other urban renewal projects. Upon creation of a tax increment district within the Area, by ordinance, the assessment base is frozen and the amount of tax revenue available from taxes paid on the difference between the frozen base and the increased value, if any, is segregated into a separate fund for the use by the City to pay costs of the eligible urban renewal projects. Certain increased taxes generated by any new development, above the base value, are distributed to the taxing entities, if not requested by the City, and in any event upon the expiration of the tax increment district.

B. General Obligation Bonds.

Under Division III of Chapter 384 and Chapter 403 of the *Code of Iowa*, the City has the authority to issue and sell general obligation bonds for specified essential and general corporate purposes, including the acquisition and construction of certain public improvements within the Area and for other urban renewal projects or incentives for development consistent with this Plan. Such bonds are payable from the levy of unlimited ad valorem taxes on all the taxable property within the City. It may be, the City will elect to abate some or all of the debt service on these bonds with incremental taxes from this Area.

The City may also determine to use tax increment financing to provide incentives such as cash grants, loans, tax rebates, or other incentives to developers or private entities in connection with the urban renewal projects identified in this Plan. In addition, the City may determine to issue general obligation bonds, tax increment revenue bonds or such other obligations, or loan agreements for the purpose of making loans or grants of public funds to private businesses located in the Area for urban renewal projects. Alternatively, the City may determine to use available funds for making such loans or grants or other incentives related to urban renewal projects. In any event, the City may determine to use tax increment financing to reimburse the City for any obligations or advances.

Nothing herein shall be construed as a limitation on the power of the City to exercise any lawful power granted to the City under Chapter 15, Chapter 15A, Chapter 403, Chapter 427B, or any other provision of the *Code of Iowa* in furtherance of the objectives of this Urban Renewal Plan.

L. PROPERTY ACQUISITION/DISPOSITION

The City will follow any applicable requirements for the acquisition and disposition of property within the Urban Renewal Area.

M. RELOCATION

The City does not expect there to be any relocation required of residents or businesses as part of the eligible urban renewal projects; however, if any relocation is necessary, the City will follow all applicable relocation requirements.

N. STATE AND LOCAL REQUIREMENTS

All provisions necessary to conform to State and local laws will be complied with by the City in implementing this Urban Renewal Plan and its supporting documents.

O. SEVERABILITY

In the event one or more provisions contained in the Urban Renewal Plan shall be held for any reason to be invalid, illegal, unauthorized, or unenforceable in any respect, such invalidity, illegality, un-authorization, or unenforceability shall not affect any other provision of this Urban Renewal Plan, and this Urban Renewal Plan shall be construed and implemented as if such provisions had never been contained herein.

P. URBAN RENEWAL PLAN AMENDMENTS

This Urban Renewal Plan may be amended from time to time for a number of reasons including, but not limited to, adding or deleting land, adding or amending urban renewal projects, or modifying objectives or types of renewal activities.

The City Council may amend this Plan in accordance with applicable State law.

Q. EFFECTIVE PERIOD

This Urban Renewal Plan will become effective upon its adoption by the City Council and shall remain in effect until terminated by the City Council.

With respect to property included within the Urban Renewal Area, which is also included in an ordinance which designates that property as a tax increment district (TIF district) and is designated based on an economic development finding to provide or to assist in the provision of public improvements related to housing and residential development, the use of incremental property tax revenues or the "division of revenue," as those words are used in Chapter 403 of the *Code of Iowa*, is limited to ten (10) years beginning with the second fiscal year following the year in which the City first certifies to the County Auditor the amount of any loans, advances, indebtedness, or bonds

which qualify for payment from the incremental property tax revenues attributable to that property within the Urban Renewal Area.

Separate TIF ordinances or amendments thereto for separate parcel(s) or subareas may be adopted as development in the Area warrants. In that case, each subarea may have a separate base and separate sunset or expiration date.

At all times, the use of tax increment financing revenues (including the amount of loans, advances, indebtedness, or bonds which qualify for payment from the division of revenue provided in Section 403.19 of the *Code of Iowa*) by the City for activities carried out under the Urban Renewal Area shall be limited as deemed appropriate by the City Council and consistent with all applicable provisions of law.

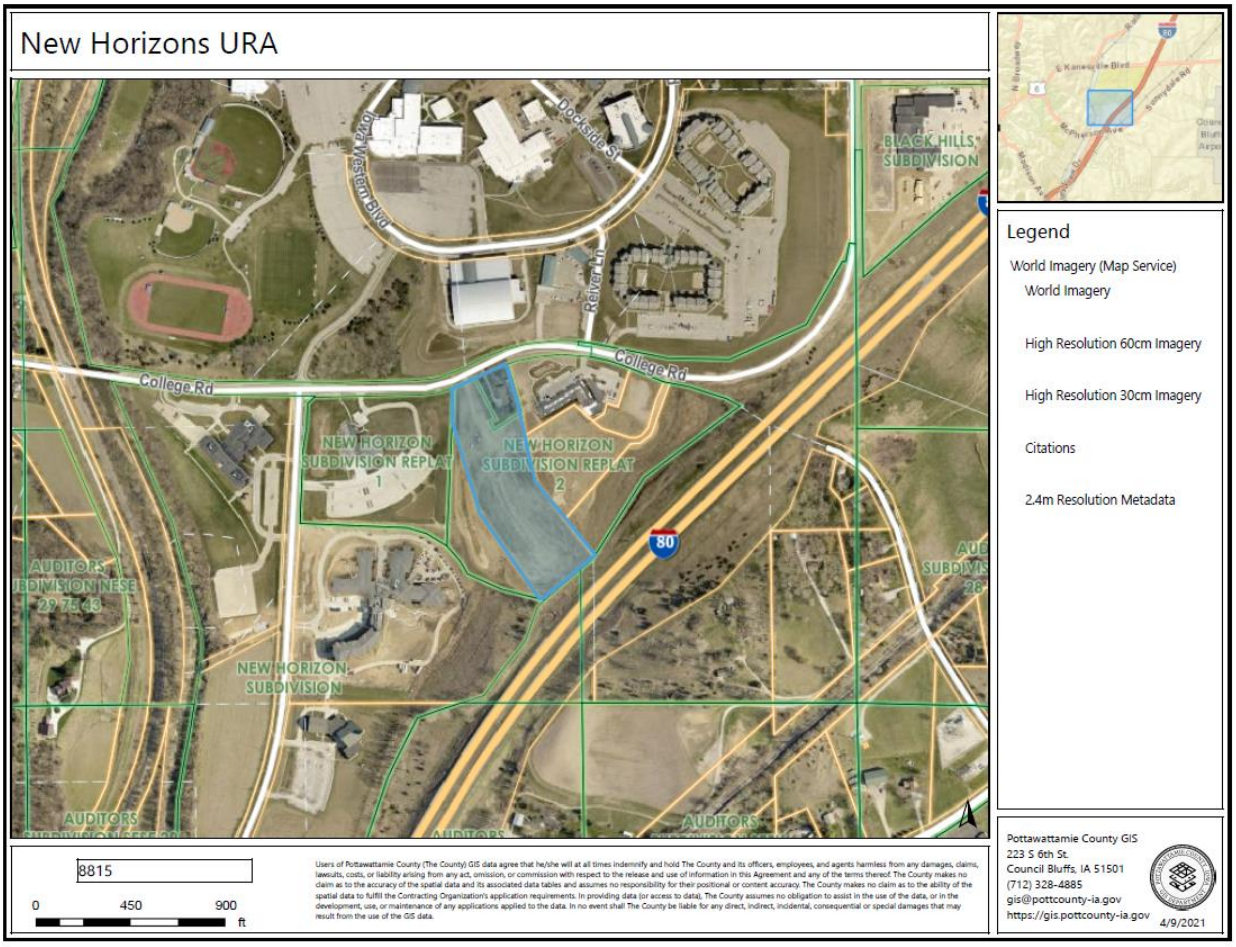
EXHIBIT A

LEGAL DESCRIPTION OF NEW HORIZON URBAN RENEWAL AREA

A PARCEL OF LAND BEING ALL LOT 5, NEW HORIZON SUBDIVISION REPLAT 2 AND A PORTION OF THE SW¼ NW¼ AND PART OF THE NW¼ SW¼ SECTION 28, TOWNSHIP 75 NORTH, RANGE 43 WEST OF THE 5th P.M., POTTAWATTAMIE COUNTY, IOWA, MORE PARTICULARLY DESCRIBED AS FOLLOWS: COMMENCING AT THE WEST ¼ CORNER OF SECTION 28, TOWNSHIP 75, RANGE 43, THENCE ALONG THE WEST LINE NW¼ SECTION 28 N 01 DEGREES 42' 52"W 161.68 FEET TO THE CENTERLINE OF COLLEGE ROAD, THENCE ALONG SAID CENTERLINE N 89 DEGREES 05'05"E 171.06 FEET, THENCE N 87 DEGREES 23'24"E 369.82 FEET TO A POINT OF CURVATURE, THENCE ON A 532.30 FOOT RADIUS CURVE TO THE LEFT AN ARC LENGTH OF 240.45 FEET, THENCE N 61 DEGREES 30'30"E 33.00 FEET TO THE POINT OF BEGINNING, THENCE N 61 DEGREES 30'30"E 36.47 FEET TO A POINT OF CURVATURE, THENCE ON A 870.13 FOOT RADIUS CURVE TO THE RIGHT AN ARC LENGTH OF 141.00 FEET (CHORD BEARS N 66 DEGREES 09'02"E 140.85 FEET), THENCE S 17 DEGREES 06'28"E 272.07 FEET, THENCE S56 DEGREES 00'42"W 156.87 FEET, THENCE N28 DEGREES 29'30"W 43.14 FEET, THENCE N 61 DEGREES 30'30"E 33.00 FEET THENCE, N 28 DEGREES 29'30"W 250.00 FEET TO THE POINT OF BEGINNING, INCLUDING COLLEGE ROAD RIGHT OF WAY, ALL IN THE CITY OF COUNCIL BLUFFS, POTTAWATTAMIE COUNTY, IOWA.

EXHIBIT B

MAP OF NEW HORIZON URBAN RENEWAL AREA



01866212-1\10342-167