ARBOR CREEK
URBAN RENEWAL PLAN

for the

ARBOR CREEK
URBAN RENEWAL AREA

CITY OF COUNCIL BLUFFS, IOWA

July 2021

Final

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Arbor Creek Urban Renewal Plan
for the
Arbor Creek Urban Renewal Area
City of Council Bluffs, Iowa

A. INTRODUCTION

The Arbor Creek Urban Renewal Plan ("Plan" or "Urban Renewal Plan") for the Arbor Creek 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 construction of low and moderate income (LMI) housing and 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 on the separate subareas within the Area. If so, the frozen base values may vary among the subareas.

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 amended 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 Bluffs Tomorrow: 2030 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 anticipated to be zoned as R-2 pursuant to the City's standard rezoning processes, in order to provide for the proposed residential development within the Urban Renewal Area.

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. Specifically, the development in this Urban Renewal Area is anticipated to create housing for a variety of income brackets. 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 non-LMI residential development, Iowa Code Section 403.22 requires that the project will include assistance for LMI family housing. LMI families are those whose incomes do not exceed 80% of the median Pottawattamie County income. To satisfy this requirement, typically a percentage of the Tax Increment collected in the Urban Renewal Area is designated for LMI housing projects; the exact percentage required is the percentage of LMI families living in the County. That percentage is currently 46.14%.

In this Urban Renewal Area, the proposed project includes the construction of LMI housing as well as non-LMI housing and the public improvements to support the residential development. As further described in the "Eligible Urban Renewal Projects" section, the City proposes to provide an incentive for both components of the proposed project by providing: (i) up to 53.86% of the Tax Increment collected in the Urban Renewal Area as an incentive for the non-LMI housing and the public improvements to support the residential development, and (ii) using up to 100% of the remainder of the Tax Increment collected in the Urban Renewal Area as an incentive for the

construction of the LMI housing, subject to limitations set forth in the terms of the proposed development agreement for the project.

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 the provision of housing for various income brackets.

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 Private Residential Developer***:* The City expects to consider a development agreement with a private residential developer ("the "Developer") pursuant to which the Developer would be obligated to construct certain improvements, including LMI housing and non-LMI housing, on land within the Urban Renewal Area. As part of the project, the Developer would be required to complete certain infrastructure improvements needed to prepare the property for the development of residential lots. The infrastructure improvements constructed by the Developer would be dedicated to the City following completion, at no cost to the City. These improvements are expected to include the construction and installation of streets, sanitary sewer, storm sewer, water, and electrical infrastructure. The development agreement would provide detailed terms and conditions under which the City may make up to 10 annual Economic Development Grant payments and 10 annual LMI Grant payments to the Developer. As

an incentive for the non-LMI housing, the City proposes to use up to 53.86% of the Tax Increment annually collected in the Urban Renewal Area for Economic Development Grants, not to exceed, in the aggregate, the lesser of $900,000 or the Developer's actual costs of constructing the infrastructure improvements. As an incentive for the LMI housing, the City proposes to use up to 100% of the remainder of the Tax Increment annually collected in the Urban Renewal Area for LMI Grants, not to exceed, in the aggregate, $1,610,000 minus the lesser of $900,000 or the Developer's actual costs of constructing the 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	$274,870,338
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, 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:	$1,660,000 This amount does not include financing costs related to debt issuance, which may be 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), 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.

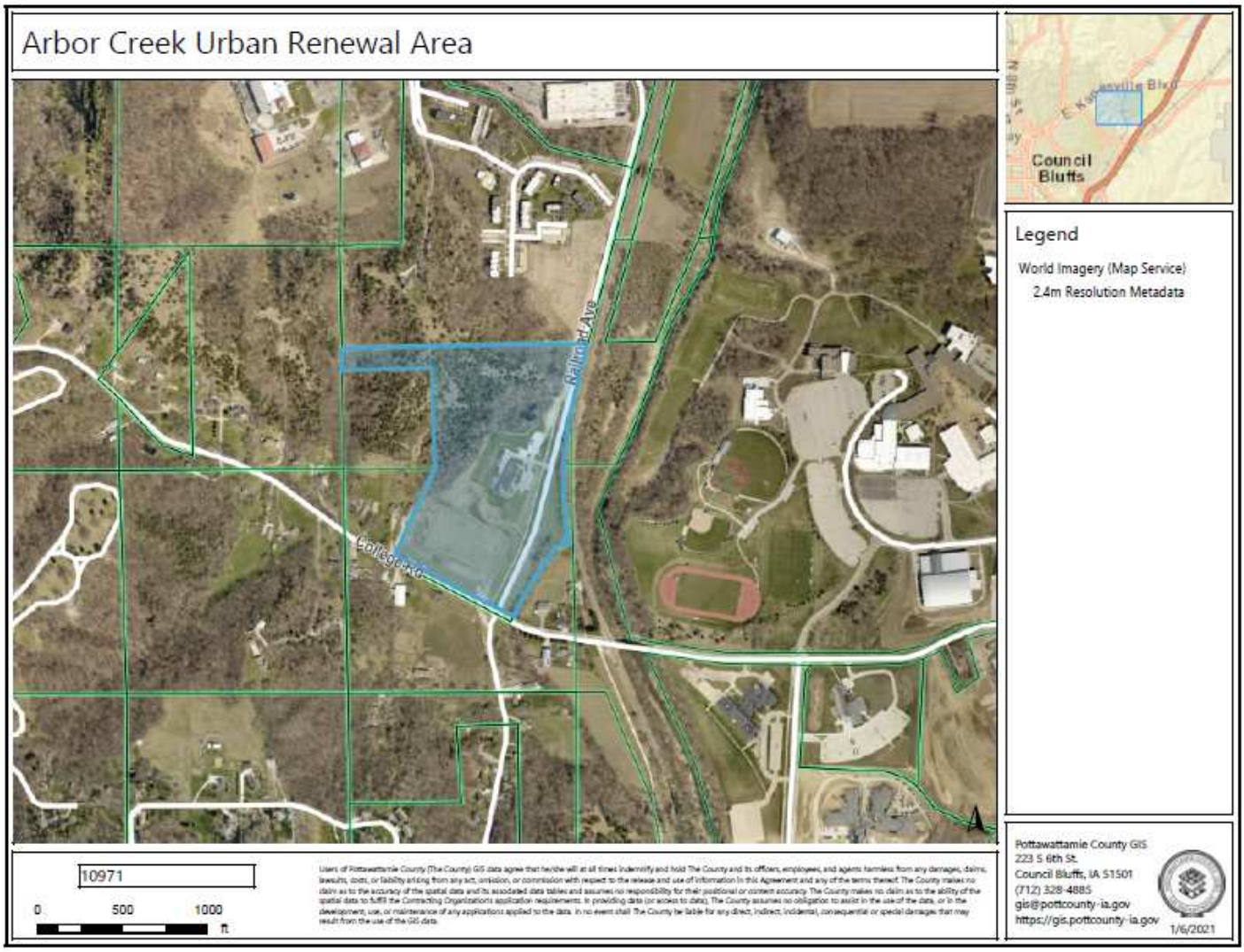
EXHIBIT A

LEGAL DESCRIPTION OF ARBOR CREEK URBAN RENEWAL AREA

Lots 1, 2 and 3, Arbor Creek, City of Council Bluffs, Pottawattamie County Iowa

EXHIBIT B

MAP OF ARBOR CREEK URBAN RENEWAL AREA



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