

Council Communication

Department: Community Development Case/Project No.: URN-21-006	Ordinance No.: N/A Resolution No.: 21-	City Council: July 26, 2021
Subject/Title An Ordinance amending Ordinance 5912 and providing that general property taxes shall no longer be divided on certain property located within the Old Airport Road Urban Renewal Project Area, in the City of Council Bluffs, County of Pottawattamie, State of Iowa (Removing “2021 Removal Parcels” From Division of Taxes)		
Location 35 th Avenue south to Veteran’s Memorial Highway and from the South Expressway east to the rear parcels of Metro Crossing (west side of Target, Kohl’s and Hobby Lobby strip)		
Background/Discussion <u>Background</u> Section 403 of the Iowa Code allows a municipality to use urban renewal powers in locations that are declared either as a slum and blighted or economic development area. Once pronounced an urban renewal area, various actions are allowed to be undertaken in order to rehabilitate, conserve, redevelop or develop the affected property. An urban renewal area may be modified at any time with the municipality complying with the notification, consultation, and public hearing process provided in Section 403.5 of the Iowa Code. In February of 2006, City Council adopted the Old Airport Urban Renewal Plan in order to accommodate the Metro Crossing retail project. The urban renewal originally only contained land north of Highway 275/92, from Interstate 29 to the South Expressway. A Tax Increment Financing (TIF) district was adopted at this time (Ordinance 5912) permitting the City to certify debt in the area as an incentive to redevelopment. In 2008, the Plan was amended to include Tractor Supply, Telmar Allied LLC, American Gramophone and Lake Manawa Antiques. Debt for this area was first certified in 2007. This means the tax increment financing (TIF) district will sunset in FY2027, or July 2027. While many parcels in the area have been redeveloped as part of Metro Crossing, there is a large section of land to the southwest that remains undeveloped. <u>Discussion</u> The City wishes to remove undeveloped parcels from the existing TIF District in order to create a new district. This enables the City to continue providing incentives to potential developers interested in the Old Airport area. Iowa Urban Renewal Law allows cities to remove parcels from existing TIF districts and create new areas within the Urban Renewal Area only if the parcels have not been redeveloped while part of the district. Staff proposes removing parcels from 35 th Avenue south to Veteran’s Memorial Highway and from the South Expressway east to the rear parcels of Metro Crossing (west side of Target, Kohl’s and Hobby Lobby strip). This area will include the proposed Power Drive and the vacant property along the South Expressway. Upon removal of the proposed area, the City will then amend the Old Airport Urban Renewal Plan and create a new TIF District. This District will have a base year for taxing of 2021 and will have a 20-year sunset for providing incentives to developers after the first year of debt certification. All proposed project requesting TIF assistance will be brought to Council individually.		
Recommendation The Community Development Department recommends approval of the proposed Ordinance amending Ordinance 5912 and providing that general property taxes shall no longer be divided on certain property located within the Old Airport Road Urban Renewal Project Area, in the City of Council Bluffs, County of Pottawattamie, State of Iowa (Removing “2021 Removal Parcels” From Division of Taxes).		