

City Planning Commission

Department: Community Development CASE # URV-18-003	Resolution No. 18-_____ Ordinance No. _____	Planning Commission: 3-13-18 Resolution of Intent: 2-12-18 City Council Public Hearing: 3-26-18 First Reading: 3-26-18 Second Reading: 4-9-18 Third Reading: 4-23-18 (will ask to be waived)
Subject/Title Establishment of the South Fourth Street Urban Revitalization Area		
Location 7 South Fourth Street and adjacent lots		
<p align="center">Background/Discussion</p> <p><u>Background</u></p> <p>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.</p> <p>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.</p> <p>A development proposal has been submitted by 7 South 4th Street, LLC to renovate the now vacant YMCA building to construct a family entertainment center. The Hub will house a variety of activities including:</p> <ul style="list-style-type: none"> - Trampoline courts; - Ninja warrior course; - Cheerleading and tumbling club; - 4 multi-use rooms; - Childcare center licensed for 34 children; and - Coffee shop to accommodate waiting adults. <p>Total construction costs are estimated to be \$2.37 million. In conjunction with the City, the owner has submitted an application to the Iowa Economic Development Authority's Community Catalyst Building Program for \$100,000 to assist with renovation costs. Applications to the program are due March 1, 2018 with awards made in April 2018.</p> <p>The owner is working with the County Assessor to determine the assessed value of the 7 South 4th Street building and adjacent vacant lots (YMCA). Because the property was nonprofit exempt from taxes, the previous value sent is being evaluated for accuracy. This will be completed in March 2018.</p>		

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Discussion

Iowa Code permits the City to establish urban revitalization areas which satisfy one of the five conditions outlined in Section 404.1. Staff believes this project meets the criteria under 404.1.4. Section 404.1.4 discusses an area, which is appropriate as an economic development area as defined in section 403.17. Section 403.17 states an economic development area means an area of a municipality designated by the local governing body as appropriate for commercial and industrial enterprises.

On February 12, 2018, City Council approved Resolution 18-51 which directed staff to initiate the process of creating the South Fourth Street Urban Revitalization Plan and Area. This resolution set March 26, 2018 as the date of the public hearing.

We specifically ask that the Commission consider finding the following:

- That the proposed South Fourth Street Urban Revitalization Plan furthers the goals of the City's Comprehensive Plan by "providing quality senior housing or support services to allow senior citizens to remain in the community;" and
- That the South Fourth Street Urban Revitalization Area is an area appropriate for urban revitalization designation as specified in Iowa Code Section 404.1.4. Section 404.1.4 discusses areas that are appropriate for economic development as defined by Section 403.17.

Staff Recommendation

The Community Development Department recommends approval of the South Fourth Street Urban Revitalization Area and Plan and finds the following:

1. That the proposed South Fourth Street Urban Revitalization Plan furthers the goals of the City's Comprehensive Plan by "providing quality senior housing or support services to allow senior citizens to remain in the community;" and
2. That the South Fourth Street Urban Revitalization Area is an area appropriate for urban revitalization designation as specified in Iowa Code Section 404.1.4. Section 404.1.4 discusses areas that are appropriate for economic development as defined by Section 403.17.

Attachments

South Fourth Street Urban Revitalization Plan

Submitted by: Courtney Harter, Project Coordinator, Community Development Department