

# **Towncrest Urban Renewal Plan**

**2010**

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## **Section 1- Introduction**

This Urban Renewal Plan has been developed to help local officials reduce slum and blighted areas and promote economic development within Iowa City, Iowa. The primary goal of the plan is to stimulate, through public involvement and commitment, private investment in the revitalization of the Towncrest Urban Renewal Project Area for commercial and residential uses.

The goals outlined in this Towncrest Urban Renewal Plan include the following, which include goals detailed in the Iowa City Comprehensive Plan – 1997, as amended:

- Diversify and increase the property tax base by (1) encouraging the retention and expansion of existing industry and (2) attracting industries that have growth potential and are compatible with existing businesses;
- Increase employment opportunities consistent with the available labor force;
- Provide and protect areas suitable for future commercial development;
- Cooperate with local and regional organizations to promote economic development within Iowa City;
- Improve the environmental and economic health of the community through the efficient use of resources;
- Consider financial incentives and programs to facilitate achieving the above goals;
- Focus commercial development in defined commercial center, including small scale neighborhood commercial centers; and
- Foster strong community neighborhoods with a mix of housing, churches, schools recreation facilities, commercial areas, and historic landmarks.

In order to make development sites attractive to new and expanding businesses, communities are frequently called upon to provide financial incentives and programs. Other development sites in the metro area, which already cater to commercial and office uses, make tax increment financing available to qualifying businesses. As is consistent with the Iowa City Comprehensive Plan, the City has concluded it is in the interest of its citizens to encourage the development of commercial and office zoned land in order to provide competitive development sites for these uses.

The City has identified portions of the Towncrest Urban Renewal Project Area to be slum or blighted areas, as defined by Iowa Code 403.17(2009). It is in the interest of its citizens to provide financial incentives and programs in order to encourage revitalization of such areas.

Therefore, the City intends to make available the use of tax increment financing as a means to finance the construction of some of the necessary public infrastructure improvements within the Towncrest Urban Renewal Project Area, referred to hereinafter as the “Urban Renewal Project Area” or “Area”. In addition, the City may make available the use of tax increment financing to provide direct grants, loans or rebates for qualifying commercial or residential developments that help achieve the goals and objectives set forth herein.

To gain public input for the Plan, City staff began meeting with community stakeholders in October of 2008 and continued through September of 2010 and discovered that existing conditions were less than ideal. The planning process began with a broad-based community meeting where staff listened to the concerns of residents, businesses, and the non-profit community. Early on, stakeholders noted the following needs:

- To retain local businesses, with special attention to medical services that have been a part of the Urban Renewal Project Area's historic character;
- To firmly establish a neighborhood identity;
- To encourage a more diverse mix of businesses;
- To address the deterioration of commercial and residential rental properties;
- To improve streetscapes and traffic circulation; and
- To create new green spaces.

Once the community expressed the broader themes for redevelopment, City staff met with individual businesses and organizations located within the Urban Renewal Project Area. These interviews provided staff with the suggestions necessary to frame a more detailed plan for the Urban Renewal Project Area. After these meetings it was decided that any plan developed by the city should:

- Be developed in phases and implemented over time;
- Encourage mixed-use commercial/residential development;
- Adopt architectural and landscape standards to assure quality development;
- Seek to improve traffic circulation for vehicles and pedestrians alike;
- Provide better access and visibility from Muscatine and First Avenues;
- Create a central green space for community gatherings and to open views to Muscatine Avenue;
- Provide a central parking facility for employee and long term parking in order to create a more pedestrian oriented streetscape, while providing angled store-front parking for customers and patients;
- Consider a zoning change to allow adjacent properties to convert to townhomes over time.
- Redevelop decaying commercial and residential rental properties located within the Urban Renewal Project Area

To achieve the primary objectives of this Plan, the City of Iowa City shall undertake the urban renewal actions as specified in this Urban Renewal Plan, pursuant to the powers granted to it under Chapters 15A and 403 of the 2009 Code of Iowa, as amended.

## **Section 2- District Designation**

With the adoption of this Plan, Iowa City designates this Urban Renewal Area as a slum and blighted area, as well as an economic development district that is appropriate for residential, office and commercial development.

## **Section 3- Base Value**

If the Towncrest Urban Renewal Area is legally established and debt is certified prior to December 1, 2010, the taxable valuation within the district as of January 1, 2009, will be considered the “base valuation”. If the debt is not certified until a later date, the “base value” will be the assessed value of the taxable property in the Urban Renewal Area as of January 1 of the calendar year preceding the calendar year in which the City first certifies the amount of any debt.

#### **Section 4- Urban Renewal Plan Objectives**

The overall goal of this Plan is to formulate and execute a workable program using public and private resources to develop the Urban Renewal Project Area for retail, office, housing, and other commercial or residential uses. The following objectives, based on community and stakeholder input, have been established for the proposed Urban Renewal Project Area:

- To encourage and support development that will expand the taxable values of property within the Urban Renewal Project Area;
- To reverse the deterioration of commercial and residential properties within the Urban Renewal Project Area.
- To encourage the revitalization of commercial and residential activity in the Urban Renewal Project Area, in particular the revitalization of medical-related offices, office, retail, restaurants, housing, and business and personal service establishments;
- To provide for the orderly physical and economic growth of the City;
- To make public improvements as deemed necessary by the City to support commercial and residential activity within the Urban Renewal Project Area;
- To provide financial incentives and assistance to qualifying projects and businesses as necessary.

#### **Section 5- Description of Urban Renewal Area**

The legal description of this proposed Urban Renewal Project Area is included in the Plan as Addendum No. 1 – Legal Description.

The location and general boundaries of the Towncrest Urban Renewal Plan Area are shown on Addendum No. 2 – Location Map: Towncrest Urban Renewal Project Area.

#### **Section 6- Proposed Urban Renewal Activities**

To meet the objectives of this Plan and to encourage the development of the Area, the City intends to utilize the powers conferred upon it pursuant to Iowa Code Chapters 15A and 403 (2009) and to make available financial incentives, including but not limited to, tax increment financing for the following activities:

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

2. Make or have made surveys and plans necessary for the implementation of the Urban Renewal Plan or specific urban renewal projects.
3. Make loans, forgivable loans, grants, or rebates to private persons or businesses for economic development purposes on such terms as may be determined by the Iowa City Council, in its sole discretion.
4. Provide for the installation of infrastructure and roadway improvements.
5. Use any or all other powers granted by the Urban Renewal Act to develop and provide for improved economic conditions in Iowa City.
6. Encourage the incorporation of energy efficient building techniques such as those specified in the Iowa Green Building Standards, or those attaining LEED certification, through the use of tax increment financing, in the sole discretion of the City Council.

## **Section 7- Proposed Projects**

Proposed projects involve activities necessary to facilitate growth in the Urban Renewal Area and provide incentives to encourage new development to locate in the area. Projects including water, sewer, street and other infrastructure may be constructed. In addition, the City may consider providing direct or indirect financial incentives to private persons or businesses as incentives to locate in the Area.

### **Private Site Improvements**

Private site improvements may include, but are not limited to, demolition of existing buildings and site preparation; design and construction of buildings; grading for building construction and amenities; paving and parking; landscaping; and installation of on-site utilities. Private site improvements will be required to follow the design guidelines set forth in the Towncrest Design Plan, created by the City's landscape architecture consultant RDG Planning and Design.

Tax increment financing may be granted to qualifying entities to finance these private site improvements, at City Council's discretion. Any development projects receiving tax increment financing or other public funding assistance will be subject to review by the Staff Design Review Committee. Design review approval will be based on compliance with the design guidelines noted above. In addition, the City Council may designate Towncrest a "Design Review District," whereby all improvements to buildings or property within the district would be subject to Design Review according to the aforementioned design guidelines.

### **Public Infrastructure Improvements**

Public infrastructure improvements may include, but are not limited to, storm water management facilities, public streets and sidewalks, sanitary sewers, storm sewers, and open space and streetscape improvements. Tax increment financing may be available to finance the construction of these improvements, in whole or in part, at the City Council's discretion.

### **Financial Incentives**

At the City Council's discretion and as permitted by Iowa Code Section 403.19 (2009), tax increment financing may be available for providing direct grants, loans or property tax rebates for qualifying projects and businesses in the Urban Renewal Area. Tax increment financing may be used for, but is not limited to, financing the private site improvements and public infrastructure improvements listed above. Qualifying projects and businesses shall be determined by the City Council on a case by case basis.

## **Section 8- Conformance with Land Use Policy and Zoning Ordinance**

### **Comprehensive Plan**

The Urban Renewal Project Area is located within the area designated by the Iowa City Comprehensive Plan as the Southeast Planning District. The Iowa City Comprehensive Plan designates the Urban Renewal Project Area as appropriate for general commercial and residential uses.

### **Current and Proposed Zoning and Land Uses**

The Project Area is currently zoned CC-2, CO-1, RM-20 and RS-8, as defined by the Iowa City Zoning Code. The current land uses consist of commercial, public, and residential uses. The proposed land uses include mixed-use, retail, office, and other commercial and residential uses permitted in the CC-2 and CO-1 zones. The City may amend its zoning code to create a new Design Review District and/or a new, mixed-use zoning classification appropriate for Towncrest and may rezone the area to be so designated. Any rezoning to this area, including the creation of a new zoning category under the Zoning Code, will be consistent with the Comprehensive Plan.

## **Section 9- Relocation of Families**

### **Benefits**

Upon the City's verification of a property owner's eligibility for tax increment financing, qualified tenants in the designated Urban Renewal Project Area shall be compensated by the property owner for one month's rent and for actual reasonable moving and related expenses, where said displacement was due to action on the part of the property owner to qualify for said tax increment financing.

### **Eligibility**

“Qualified tenant” means the legal displaced occupant of a residential dwelling unit which is located within the designated Urban Renewal Project Area where the person or family has occupied the same dwelling unit continuously for twelve (12) months prior to the City making tax increment financing available to a project within the Urban Renewal Project Area. There are no relocation provisions made for displacement from commercial units.

### **Actual Reasonable Moving and Related Expenses**

A qualified tenant of a dwelling is entitled to actual reasonable expenses for:

- a. Transportation of the displaced person and personal property from the displacement site to the replacement site. Transportation costs for a distance beyond twenty-five (25) miles are not eligible;
- b. Packing, crating, unpacking and uncrating of personal property;
- c. Disconnecting, dismantling, removing, reassembling and reinstalling relocated household appliances and other personal property;
- d. Discontinuing, transferring or reconnecting utility services, including cable television.

### **Least Costly Approach**

The amount of compensation for an eligible expense shall not exceed the least costly method of accomplishing the objective of the compensation without causing undue hardship to the displaced tenant and/or landlord.

### **Section 10- Financial Data**

1. Constitutional Debt Limit: \$ 136,552,095
2. Current general obligation debt: \$ 84,995,000
3. Proposed amount of indebtedness to be incurred: A specific amount of tax increment debt to be incurred (including direct grants, loans, advances, indebtedness, or bonds) for projects over time has not yet been determined. The City Council will consider each request for financial assistance or a project proposal on a case-by-case basis to determine if it is in the City’s best interest to participate. It is estimated that the City’s cost for initial anticipated projects discussed herein will be in the \$10 to \$15 million range.

### **Section 11- Urban Renewal Plan Amendments**



This Urban Renewal Plan may be amended from time to time to include change in the area, to add or change land use controls or regulations, to modify goals or types of renewal activities, or to amend property acquisition and disposition provisions.

If the City of Iowa City desires to amend this Urban Renewal Plan, it may do so after providing public notice, holding a public hearing on the proposed change, and undertaking other required actions, all in conformance with applicable state and local laws.

## **Section 12- Property Acquisition/Disposition**

Other than easements and right-of-ways, no property acquisition by the City is anticipated.

## **Section 13. Effective Period**

This Urban Renewal Plan will become effective upon its adoption by the City Council of Iowa City and will remain in effect as a plan until it is repealed by the City Council. The use of tax increment financing revenues (including the amount of grants, loans, advances, indebtedness or bonds which qualify for payment for 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 Plan shall be limited as deemed appropriate by the Council and consistent with all applicable provisions of law.

**Addendum No. 1**  
**Legal Description of the**  
**Urban Renewal Project Area**

The Towncrest Urban Renewal Area includes the following:

Lots 1-4, Block 5; Block 6; Lots 1-4, Block 7; the N 100' of Lot 1 & the E 22' of the N 100' of Lot 2, Block 14; and the S 75' of Lot 8 & the E 10' of the S 75' of Lot 7, Block 15, and to the centerline of all adjacent rights-of-way, East Iowa City Subdivision, Iowa City, Iowa, according to the plat thereof; and

Lots 5-19, Block 1; Lots 8-10, Block 2; and Lots 7-9, Block 3, and to the center line of all adjacent rights-of-way, Towncrest Addition, Iowa City, Iowa as shown on the plat thereof recorded at Book 4, Page 323 of the Johnson County Recorder; and

Commencing at the northwest corner of Lot 12, Block 1, Towncrest Addition, then north 200', then east 107.5', then south 200', then west 107.5', and to the centerline of the adjacent rights-of-way; and

Blocks 1 & 2, and Lots 1 & 2, Block 3, and to the centerline of all adjacent rights-or-way, Towncrest Addition Part Two Revised, Iowa City, Iowa, as shown on the plat thereof recorded at Book 6, Page 6 of the Johnson County Recorder; and

Commencing at the NE corner of Lot 1, Block 1, Towncrest Addition Part Two Revised, thence E 160', thence S 148', thence W 160', thence N 148', and to the centerline of the adjacent Muscatine Avenue right-of-way; and

The real estate north of and adjacent to Muscatine Avenue between First Avenue and Waters First Addition, excluding the Memory Gardens Cemetery.

This area contains approximately 49.3 acres.

**Addendum No. 2**  
**Towncrest Urban Renewal Project Area Map**

