

**City of Iowa City
Riverfront Crossings
Urban Renewal Plan**

2011

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Section 1- Introduction

This Riverfront Crossings Urban Renewal Plan (“Plan”) for the Riverfront Crossings Urban Renewal Area (“Urban Renewal Area” or “Area”) has been developed to help local officials reduce 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 Riverfront Crossings Urban Renewal Area.

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

- Remediation of blighted areas;
- Diversify and increase the property tax base by (1) encouraging the retention and expansion of existing businesses and (2) attracting businesses 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;
- 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 centers;
- Increase sidewalk and trail connectivity to promote walkability and encourage bicycling and other alternative forms of transportation;
- Improve connections between commercial retail uses and adjacent residential neighborhoods, and
- Beautify the commercial corridor through better landscaping and streetscaping, rehabilitation of old buildings and improvement of building facades.

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. The City has identified the Riverfront Crossings Urban Renewal Area to be a blighted area, as defined by Iowa Code 403.17 (2011). It is in the interest of its citizens to provide financial incentives and programs in order to encourage blight remediation and revitalization of such areas.

Redevelopment of property within the the Riverfront Crossings Urban Renewal Area was of particular interest to residents of the Miller Orchard neighborhood due west of Riverside Drive during the planning of the Miller Orchard Neighborhood Plan in the Fall of 2008 and Spring of 2009. Residents of the neighborhood expressed a desire for reinvestment in the Riverside commercial area, with better streetscapes and landscapes and increased diversity of businesses. Commercial redevelopment of this area would coincide with the residential neighborhood improvements occurring as part of the Miller

Orchard neighborhood plan.

The Riverfront Crossings Urban Renewal Plan is one component of broader redevelopment efforts that will eventually encompass the east side of the Iowa River. Those broader redevelopment efforts are planned to include significant investment in new residential, mixed-use and commercial properties.

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 Riverfront Crossings Urban Renewal Area. In addition, the City may make available the use of tax increment financing to provide direct grants, loans, rebates or other incentives for qualifying commercial or residential developments that help achieve the goals and objectives set forth herein.

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 2011 Code of Iowa, as amended.

Section 2- District Designation

With the adoption of this Plan, Iowa City designates this Urban Renewal Area as appropriate for elimination and remediation of blight.

This Urban Renewal Area is located within the Southwest District of the City. The Southwest District Plan, a component of Iowa City's Comprehensive Plan, addresses the need for changes and improvements in this area, citing the lack of attention to the interface between commercial and residential uses having contributed to general disinvestment and declining property values in the Southwest District. Updated in 2002, the Southwest District Plan calls for buildings that would better blend the business with the residential neighborhood. The 2008 flood of the Iowa River exceeded the 100-year flood level and inundated much of the Urban Renewal Area. Most of the area east of Riverside Drive and much of the area west of Riverside Drive was under water for a period of approximately 30 days. This event exacerbated the blighted condition of this Urban Renewal Area.

Several buildings west of the Iowa River and east of Riverside Drive were inundated in the historic flood of 2008 causing several businesses to close or relocate and necessitating considerable rehabilitation of existing buildings. Although there are a few properties that rebuilt after the flood or are of newer construction, a substantial number of structures and properties are appropriate for blight remediation.

In addition, many properties along Orchard Street south of Benton Street and along either side of Riverside Drive sit on small lots that do not provide adequate or attractive spaces for development. These lots also lack efficient access from neighboring streets and are plagued by restricted traffic flow. The configuration of Sturgis Corner Drive off of Riverside Drive has contributed to the accessibility problems in particular for businesses

in the southeast portion of the Urban Renewal Area. The overall lot configuration and lack of accessibility reduces the usefulness of these properties, leading to a general diminution of property values.

The disinvestment that has plagued the Urban Renewal Area is circular; the decision by existing property owners to not reinvest in their property reduces the likelihood that neighboring property owners will choose to invest. This cycle, spurred on by the flood of 2008, inadequate lot sizes, poor traffic flow and lack of site accessibility, substantially impairs or arrests the sound growth of this area, constitutes an economic and social liability in its present condition and use.

The Area does contain several well-established, successful businesses that nevertheless do not conform with the City's current design standards, and may benefit from substantial rehabilitation or redevelopment of certain site improvements. Access from Riverside Drive is difficult due to lack of turn lanes and proliferation of driveways in the corridor. Sidewalk accessibility is discontinuous and inadequately designed. Curb ramps are inconsistent and absent in places. Landscaping and pedestrian amenities are nearly nonexistent. Cross-access easements between lots are largely absent. All of these features could be enhanced through incentives enabled by the Urban Renewal Area, which would foster economic development in the area.

Overall, the area is designated for blight remediation due to the presence of a substantial number of deteriorated or deteriorating structures, defective or inadequate street layout, faulty lot layout in relation to size, adequacy, accessibility or usefulness, deterioration of sites, and the existence of conditions which endanger property by various causes, including a combination of the foregoing factors. Such conditions substantially impair or arrest the sound growth of the City, retard the provision of housing accommodations, or constitute an economic or social liability and are a menace to the public health, safety or welfare of the City in the area's present condition and use.

Section 3- Base Value

If the Riverfront Crossings Urban Renewal Area is legally established and debt is certified prior to December 1, 2011, the taxable valuation within the Area as of January 1, 2010 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 Area for retail, office, and other commercial or residential uses. The following objectives are hereby established for the proposed Urban Renewal Project Area:

- To assist with blight remediation efforts;
- 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 properties within the Urban Renewal Project Area;
- To encourage new development of commercial businesses in the Urban Renewal Project Area, in particular high-quality restaurants, retail stores to serve the surrounding community, banks and hotels.;
- To make public improvements as deemed necessary by the City to support commercial and recreational activity within the Urban Renewal Project Area;
- To provide financial incentives and assistance to qualifying projects and businesses as necessary;
- To continue redevelopment along the Iowa River;
- To assist and promote development of green space and recreation trails along the Iowa River;
- To establish an attractive, vibrant southern highway corridor to the city;
- To provide for the orderly physical and economic growth of the city;
- To provide other support as allowed under Iowa Code Chapters 15, 15A and 403.

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 Riverfront Crossings Drive Urban Renewal Plan Area are shown on Addendum No. 2 – Location Map: Riverfront Crossings Urban Renewal Project Area. This area is approximately 44 acres.

Section 6- Proposed Urban Renewal Activities and Proposed Projects

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 (2011) and to make available financial incentives, including but not limited to, tax increment financing for the following activities and Proposed Projects:

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. To acquire and dispose of property for urban renewal projects;
4. Make loans, forgivable loans, grants, rebates, or other incentives to private persons or businesses for economic development purposes on such terms as may be determined by the Iowa City City Council, in its sole discretion;

5. Provide for the installation of infrastructure and roadway improvements;
6. Use any or all other powers granted by the Urban Renewal Act to develop and provide for improved economic conditions in Iowa City;
7. 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;
8. 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. 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 may be subject to review by the Staff Design Review Committee. Design review approval may be based on compliance with design consistent with the goals of the Southwest District Plan. In addition, the City Council may designate Riverside Drive 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;
9. Public Infrastructure Improvements: Public infrastructure improvements may include, but are not limited to, storm water management facilities, public streets and sidewalks, trails, parks, 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;
10. Financial Incentives: At the City Council's discretion and as permitted by Iowa Code Section 403.19 (2011), tax increment financing may be available for providing direct grants, loans, property tax rebates, or other incentives for qualifying projects and businesses in the Urban Renewal Area;
11. 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 7- Conformance with Land Use Policy and Zoning Ordinance

Comprehensive Plan

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

This Plan is consistent with the Iowa City Comprehensive Plan, particularly the Southwest District Plan, last amended in 2002.

Current and Proposed Zoning and Land Uses

The Area is currently zoned CC-2, as defined by the Iowa City Zoning Code. The current land use for the project area is commercial. The proposed land uses include retail, office, and other commercial uses permitted in the CC-2 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 Riverside Drive 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 8- Relocation

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

Section 9- Financial Data

1. Constitutional Debt Limit: \$ 131,337,980
2. Current general obligation debt: \$ 91, 155,000
3. Proposed amount of indebtedness to be incurred: Although 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, it is anticipated that the cost of the Proposed Projects and activities identified in Section 6 above will be between \$5 to \$10 million. In no event will debt be incurred that would exceed the City's debt capacity. It is further expected that loans, advances, indebtedness or bonds to be incurred for the Proposed Projects or subsequent projects, including interest on the same, will be financed in whole or in part with tax increment revenues from the Urban Renewal Area. 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.

Section 10- 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 changes in the boundary, 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 11 - Property Acquisition/Disposition

The City may provide incentives for land acquisition in the Area. The City will follow applicable procedures for the acquisition and disposition of property.

Section 12 - 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 is not limited due to the designation of the area as blight. However, the use of tax increment financing incentives 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 Riverfront Crossings Urban Renewal Area includes the following:

Beginning at a point on the southeast corner of Sturgis Corner Addition Part II;

Thence southerly to the centerline of U.S. Highway 6;

Thence westerly along said centerline to its intersection with S. Riverside Drive;

Thence continuing westerly along the centerline of State Highway 1 to a point where it intersects with the centerline of Orchard Street extended;

Thence northerly along the centerline of Orchard Street to the centerline of the Iowa Interstate Railroad;

Thence easterly along said railroad centerline to a point that is 190', more or less, west of the point of intersection of the railroad and the centerline of State Highway 1/Riverside Drive;

Thence northerly to the north right-of-way line of said railroad;

Thence north 118' to the south right-of-way line of S. Riverside Court;

Thence north 12.5' to the centerline of S. Riverside Court;

Thence west along said centerline to where it intersects with the extension of the west boundary of property described as follows:

Commencing 459.5' east of the SW corner of Lot 1; N100'; E60'; S100'; W60',
Ryerson's and Sharp's Subdivision.

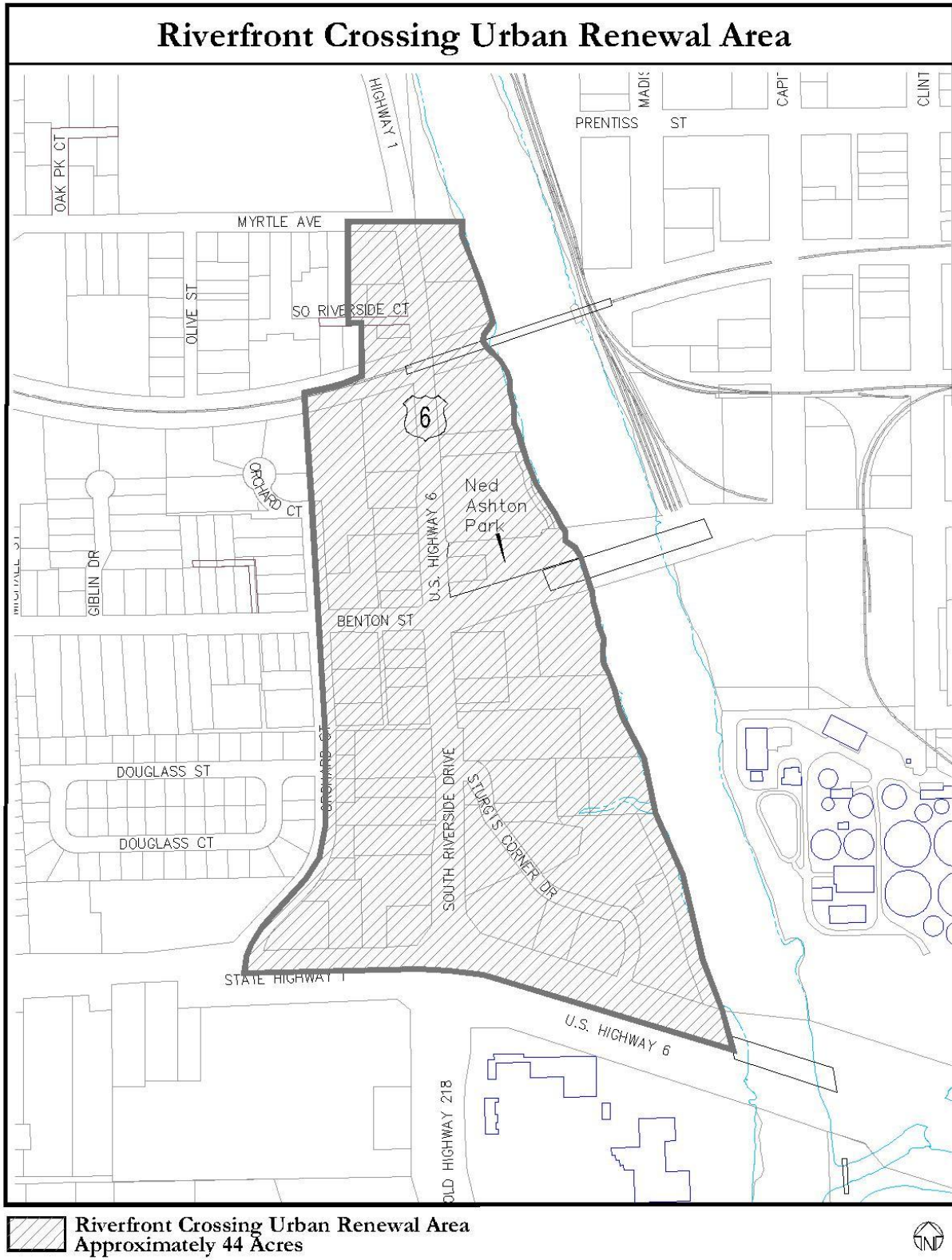
Thence northerly along said west property line extended to the centerline of Myrtle Ave;

Thence east along said centerline, continuing east to the west bank of the Iowa River;

Thence southerly along the west bank of the Iowa River to the point of beginning;

And the right of way of all adjacent roads.

Addendum No. 2



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