

COUNCIL ACTION FORM

SUBJECT: URBAN REVITALIZATION TAX ABATEMENT REQUEST FOR 2320 LINCOLN WAY

BACKGROUND:

In accordance with Chapter 404 of the Code of Iowa, the City Council has established Urban Revitalization Areas (URAs) with Plans specifying standards for types and elements of physical improvements that provide public benefits. When property within one of these URAs is developed, redeveloped, rehabilitated, or remodeled, the property owner is eligible for abatement of property taxes on the incremental increase in property value after the improvements are completed. This abatement can extend for three, five or ten years, based on the individual Urban Revitalization Plan approved by Council.

Property owners within an approved URA may apply for tax exemption for a complete project or preapproval for project that is planned to be built. **The City must determine if the completed improvements meet the standards in the Urban Revitalization Plan in order to grant tax abatement and forward the determination to the Assessor.** If the project complies with the criteria, it must be approved for tax abatement.

The Gilbane Development Company is seeking final approval of their mixed-use project with the fulfillment of the fixed window requirement along Lincoln Way. Gilbane received pre-approval on October 13th of an alternative method of meeting the fixed windows requirement by applying an epoxy sealant to the windows. Gilbane completed this work in November and representatives from the Police Department did a spot check of units in the building and were satisfied they had met the fixed window requirement. Staff had previously completed a site inspection and found the site to substantially comply with the Campustown criteria.

The overall project consists of approximately 5,300 square feet of commercial space, 96 apartment units totaling 320 beds, and structured and surface parking. Gilbane estimates cost of the project at \$12,470,000. The estimate is based on construction cost or sales price provided by the property owner and may not be the same as the added property value upon which the abatement is based. The applicant indicates they will choose the 10-year abatement option.

ALTERNATIVES:

1. The City Council can approve the request for approval of tax exemption for the mixed use project located at 2320 Lincoln Way, if it finds that it substantially conforms to the Campustown Urban Revitalization Area Criteria, as adopted by the City Council.

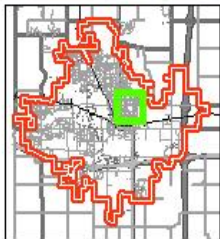
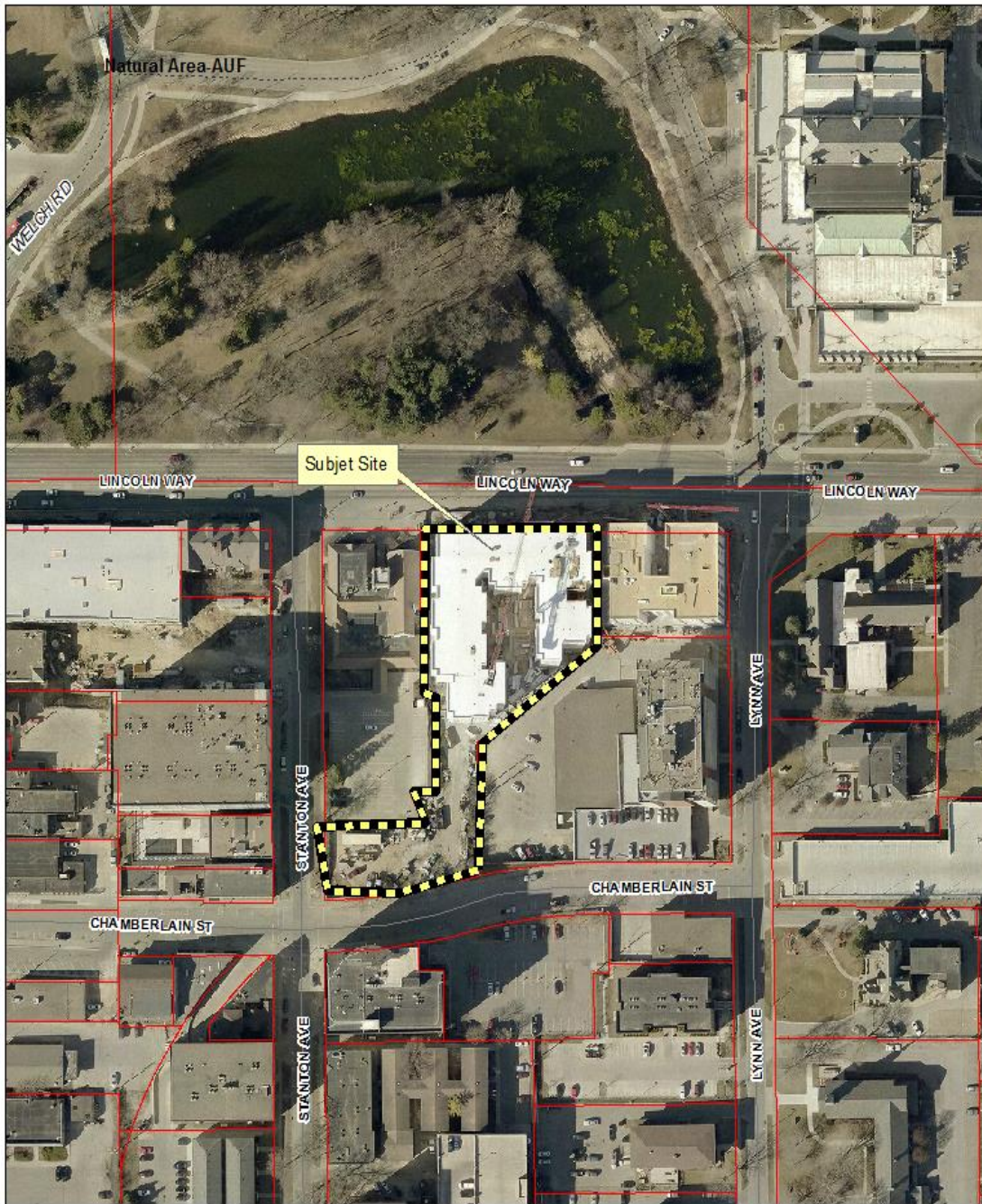
2. The City Council can deny the request for approval of tax exemption for the mixed use project located at 2320 Lincoln Way, if it finds that the improvements are not in conformance with the Campustown Urban Revitalization Area Criteria, as adopted by the City Council. If denied, the applicant may make modifications to the project to meet the criteria and submit a new request for tax abatement.

MANAGER'S RECOMMENDED ACTION:

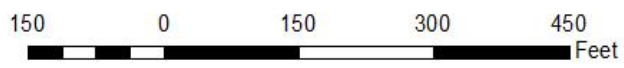
Staff has completed an on-site inspection of the improvements constructed, and finds that the work completed conforms to the Campustown Urban Revitalization Area Criteria. **With Council's final approval of the tax abatement eligibility, the site will be exempt from any changes to the URA criteria during the life of the tax abatement.** The developer is also obligated to maintain the required improvements for the life of the tax abatement schedule.

Therefore, it is the recommendation of the City Manager that the City Council accept Alternative #1, thereby approving the request for tax exemption as conforming to the Campustown Urban Revitalization Criteria. Approval of the request for tax exemption will enable the City Assessor to process tax exemption for this property and determine the value of the respective exemption.

Attachment A



2320 Lincoln Way



CAMPUSTOWN URBAN REVITALIZATION CRITERIA MATRIX

PROJECT MUST MEET CRITERIA OF ONE OF THESE COLUMNS	AND	PROJECT MUST MEET CRITERIA OF ONE OF THESE COLUMNS	OR
<p>Slum and Blighted Properties where a majority of the assessed valuation of the properties has been determined to be substantially unsafe or to have an unsafe use by the City Council.</p>	<p>Parking A minimum of 70% of the total required parking is provided in a structure. If utilizing a parking deck, the restrictions in Chapter 29.406 12 of the Municipal Code must be adhered to.</p> <p>AND</p> <p>Mixed Use The first floor must be used for permitted commercial and retail uses as shown in Table 29.803(2) of the Municipal Code. The second floor must be used for either commercial or retail uses as shown in the Table 29.803(2) or for household living. All floors above the second floor must be used for household living</p>	<p>Adaptive Reuse The building on the site was originally built before 1941.</p> <p>AND</p> <p>70% of the area of existing exterior walls of the structure will remain</p> <p>AND</p> <p>Historic materials and designs are preserved and/or restored.</p>	<p>Underrepresented Properties that are to include a business use where that actual sales of the business use is below the expected sales for the business use as determined by the City Council to be of benefit to the City (should be supported by a retail leakage study).</p>
<p>Design Standards Retail and office uses on the first floor adjacent to a public sidewalk must have direct access to the public sidewalk.</p> <p>AND</p> <p>Signage The signage design, scale, materials, and colors shall be in proportion to and consistent with the architecture of the building and support the business identity.</p> <p>AND</p> <p>Brick Material 100% of the front and 80% of the three remaining sides of the structure shall be faced with clay brick for the first four stories. On stories five through seven any other building materials except vinyl will be allowed.</p>	<p>Alternative Siding Material If historically significant - use and repair of historically appropriate siding material is permitted and must be maintained for the term of the selected tax abatement schedule.</p>	<p>OR</p>	
<p>ALL RESIDENTIAL USES SHALL ALSO MEET THE FOLLOWING CRITERIA OR EQUIVALENT AS APPROVED BY THE CITY COUNCIL</p>			
<ol style="list-style-type: none"> 1. Limit commercial space in the same building to the ground floor 2. Provide separate entrances for commercial and residential uses 3. Locate all residential entrances to be visible from the street and provide secure access control at each 4. Prevent access from the exterior to the interior through doors that serve only as fire exits 5. Prohibit public access to structured parking, using overhead door and secure access control 6. Provide transparent glass windows into all stairwells 7. Provide camera monitoring of all pedestrian and vehicle entrances and areas 8. Minimum widths of all exit routes: 48" for halls, 42" for doors, 60" between rails for stairs 9. No balconies are permitted 10. Provide for natural daylight requirements of applicable codes with exterior windows 11. On facades facing any street use only fixed windows 12. Design of all other windows to prevent passing of sphere larger than 4" diameter 13. Prevent by physical means access to all roofs 14. Where access is not required, provide security fencing controlling access to all areas between new or existing buildings 15. Provide a minimum of four 100 w. metal halide light fixtures on each building façade: two at elevation between first and second floors and two at elevation between third and fourth floor 			