

COUNCIL ACTION FORM

SUBJECT: PUBLIC HEARING AND FIRST READING OF AN ORDINANCE AMENDING THE EAST UNIVERSITY IMPACTED URBAN REVITALIZATION AREA TO EXPAND THE BOUNDARY TO INCLUDE 313 LYNN AVENUE AND TO ADD A PLAN SUNSET DATE OF APRIL 1, 2024 AND A RESOLUTION AMENDING THE PLAN CRITERIA

BACKGROUND:

On October 13, 2020 the City Council adopted a Resolution setting the date of a Public Hearing on changes to the East University Impacted Urban Revitalization Area (URA) and Plan. Subsequently, Staff sent courtesy notices as directed by the City Council, to all property owners of the 37 Greek Housing residences within the East University Impacted URA to alert them of the proposed changes and upcoming public hearing. Additionally, as required by Iowa Code Section 404.2, property owners and residents within 200' of the boundary increase area (313 Lynn Avenue) received notification.

Boundary Change:

The boundary change was directed by the City Council on August 21, 2020 to rectify an error recently discovered during the citywide review of URAs. The property at 313 Lynn Avenue was approved for tax abatement in 2018 and has been receiving tax abatement for the last three years. However, it is not actually located within the boundaries of the East University Impacted URA. The property abuts the current boundary of the URA. Amending the boundary rectifies this disconnect. The attached ordinance replaces Ordinance #3880 by establishing new boundaries for the East University Impacted URA. Attachment 1 illustrates both the current boundary as well as the proposed boundary for the East University Impacted URA. Please note that this action only changes the URA boundary and will not change any of the zoning overlay district boundaries. Given this, the property will remain within the "O-UIW" West University Impacted Zoning Overlay District.

Sunset Date for the East University Impacted URA- Additions:

On September 22, 2020, Council unanimously agreed that a sunset date was appropriate for the East University Impacted URA. The East University Impacted URA was established in 2006. Over 36% of the Greek Houses in the URA have taken advantage of the program in the past ten years. City Council determined the goals of the program for revitalizing the area have been met.

The sunset date is proposed as April 1, 2024. This will allow pending or potential projects an opportunity to still move forward given the longer timeline need for advance planning, budgeting, and fund raising that is relied upon to execute these projects. As directed by the Council, Staff contacted each property owner of the 37 Greek Houses within the East University Impacted URA, so that their input could be received. We did not receive any

comments back related to upcoming projects that would be impacted by the proposed change.

The attached ordinance identifies the URA expiration date of April 1, 2024. All projects seeking tax abatement must be completed prior to the expiration and approved for award prior to expiration; however, projects already determined to be eligible for tax abatement will continue to receive tax abatement consistent with the chosen schedule for abatement and in accordance with state law.

Eliminating Tax Abatement for New Construction of Greek Housing:

On September 22, 2020, Council determined that current criteria that allows for both new construction and additions to be eligible for abatement conflicts with several policy directions of the city and directed that the criteria be revised. Eliminating new construction as an eligibility criterion restores tax abatement to the 2018 criteria for additions only. Supporting additions is an incentive to encourage and support reuse of buildings or adaptive reuse of Greek houses (some of which are likely to be historically and architecturally significant).

The proposed criteria will allow construction of a new Greek residence on a site that has been recognized by Iowa State University as part of the Greek residence system, and which has an approved Minor Site Development Plan and Demolition approved by City Council, both of which have to be approved prior to January 1, 2021.

When this date was initially proposed there was no known pending demolition requests and that Kappa Kappa Gamma had already received a demolition approval from City Council in December 2020. Staff has not heard of any new demolition requests that may be forthcoming. However, Kappa Kappa Gamma has made inquiries to staff about modifying their prior approval and they are aware of the deadline to make changes prior to January 1, 2021.

ALTERNATIVES:

1. The City Council may approve the proposed changes by taking the following separate actions for each:
 - Hold a Public Hearing and Approve the First Reading of an Ordinance establishing new boundaries for the East University Impacted Area URA (adding the property at 313 Lynn Avenue) and adding an expiration date of April 1, 2024, for the East University Impacted Area URA;
 - Approve the Resolution revising the Criteria of the East University Impacted Area URA to read as follows:
 - The building is an existing or former residence recognized by the Iowa State University as part of the Greek residence system, and which, following rehabilitation 70% of the area of the existing exterior walls of the structure will remain.
 - Construction of a new Greek residence recognized by Iowa State

University as part of the Greek residence system, if built on a site that was formerly a Greek residence with an approved Minor Site Development Plan and demolition approved by City Council prior to January 1, 2021.

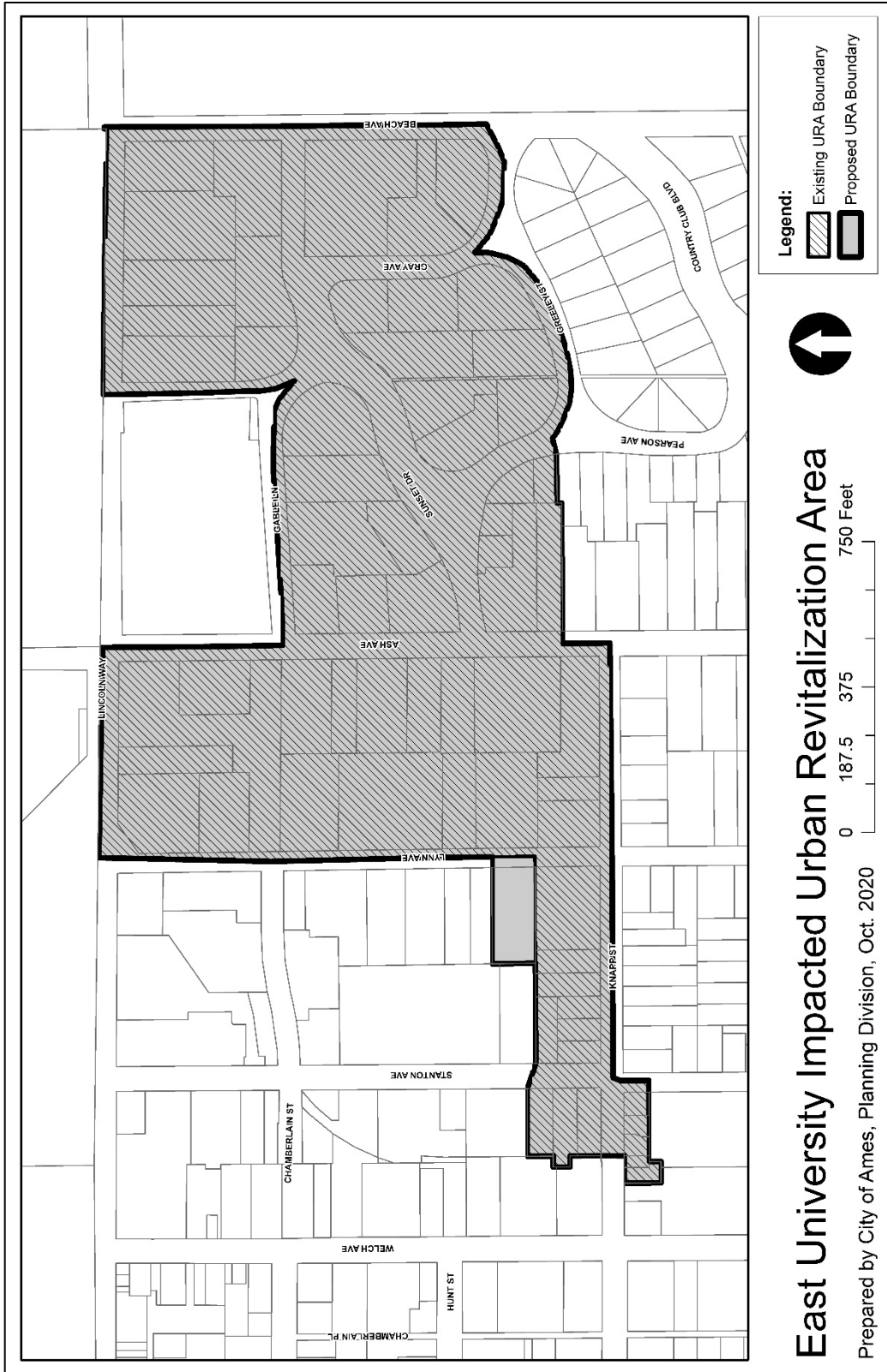
2. The City Council may choose to Amend or Not Proceed with any of the actions identified above.
3. The City Council may refer this item back to City staff for additional information.

CITY MANAGER’S RECOMMENDED ACTION:

The proposed changes to the East University Impacted Urban Revitalization Area and Plan recognize the success the East University Impacted URA has achieved over the last fifteen years in encouraging new investment and stabilizing the area. The proposed changes provide flexibility to projects already in process, while setting forth an end date for tax abatement funding.

Therefore, it is the recommendation of the City Manager that the City Council accept Alternative #1, thereby approving First Reading of an Ordinance implementing a boundary change and sunset date for the East University Impacted Urban Revitalization Area and approving a Resolution amending the criteria of the East University Impacted Area Urban Revitalization Area Plan.

ATTACHMENT 1: EAST UNIVERSITY IMPACTED URA EXISTING & PROPOSED BOUNDARY



ATTACHMENT 2: EAST UNIVERSITY IMPACTED URA PLAN CRITERIA

EXISTING CRITERIA

1. Applicability of Revitalization: Revitalization shall be applicable only to buildings in the designated area which comply with following conditions-
 - Existing or former residences recognized by Iowa State University as part of the Greek residence system, and which, following rehabilitation, 70% of the area of existing exterior walls of the structure will remain, or
 - Construction of a new Greek residence recognized by Iowa State University as part of the Greek residence system.

PROPOSED CRITERIA

7. Applicability of Revitalization: Revitalization shall be applicable only to buildings in the designated area which comply with following conditions-
 - Existing or former residences recognized by Iowa State University as part of the Greek residence system, and which, following rehabilitation, 70% of the area of existing exterior walls of the structure will remain, or
 - Construction of a new Greek residence on a site that has been recognized by Iowa State University as part of the Greek residence system, and which has an approved Minor Site Development Plan and Demolition approved by City Council, both of which were approved prior to January 1, 2021.