



AGENDA
CITY OF CEDAR FALLS, IOWA
COMMITTEE OF THE WHOLE MEETING
MONDAY, OCTOBER 21, 2024
5:30 PM AT CITY HALL, 220 CLAY STREET

Call to Order

Roll Call

Agenda Items

1. Economic Development Incentives/Development of other TIF areas.
(45 Minutes, Economic Development Coordinator Shane Graham)

2. Floodplain Regulations, Environmentally Sensitive Lands Survey, Future Land Use Plan, and Resilience Plan.
(30 Minutes, Planner III Thomas Weintraut)

Adjournment

Economic Development and Residential Housing Incentives

City Council Committee of the Whole
October 21, 2024

Overview of Topics to be Discussed

- **Industrial Park Incentives**
- **Technology/Office Park Incentives**
- **Downtown Incentives**
- **College Hill Incentives**
- **Residential Housing Incentives**
 - **Urban Renewal (TIF)**
 - **Urban Revitalization**

Current Incentive Guidelines – Industrial Park

- **City provides approximately 1 +/- acre of developed industrial park land for each 10,000 square feet of building area.**
- **If building valuation is >\$1.2M, City will provide a 5-year partial property tax abatement (75%, 60%, 45%, 30%, 15%).**

Current Incentive Guidelines – Industrial Park

- **If building valuation is between \$1M and \$1.2M, City will provide a 3-year partial property tax abatement (45%, 45%, 45%).**
- **If building valuation is <\$1M, no tax incentives provided.**

Current Incentive Guidelines – Technology/Office Park

- **City provides approximately 1 +/- acre of developed land for each 7,500 square feet of building area.**
- **If building valuation is >\$1.2M, City will provide for a 5-year tax rebate (75%, 60%, 45%, 30%, 15%).**
- **If building valuation is between \$1M and \$1.2M, City will provide for a 3-year tax rebate (45%, 45%, 45%).**
- **If building valuation is <\$1M, no tax incentives provided.**

Industrial/Technology Park Incentive Guideline Recommendation

- **Continue the current guideline of offering projects in the industrial and technology park reduced land cost and 5-year graduated tax abatement/rebate.**

Current Incentive Guidelines – Downtown and College Hill Areas

- **City offers a 5-year, 100% tax rebate on the increased taxable valuation of a project, with a minimum investment of \$200,000.**
- **City currently does not own any development land within this area, so no land incentives are offered.**

Current Incentive Guidelines – Downtown and College Hill Areas

- **Several project examples:**
 - **302 Main Street (Lincoln Savings Bank Building)**
 - **108 E 4th Street (George's Local)**
 - **203-205 Main Street (Raygun/Vinyl Cup)**
 - **2215 College Street (Sidecar Coffee)**
 - **2024 College Street (Domino's Pizza)**
 - **917 W. 23rd Street (Urban Flats)**

Current Incentive Guidelines – Downtown and College Hill Areas

Item 1.

- **Staff has had discussions regarding potential projects in the College Hill/Downtown areas, but it has been indicated that to help the project make sense financially, more than a 5-year tax incentive would be needed.**
- **Staff looked at what other communities offer for incentives, and they typically range from 5 years to 20 years at different levels of percentages (50% to 100% tax incentive).**

Incentive Recommendation – Downtown and College Hill Areas

- **To keep Cedar Falls competitive with other communities and to encourage a wide range of development/redevelopment projects, staff proposes to increase the incentive from a 5-year tax rebate to a 10-year tax rebate.**

Residential Housing Incentives

- **Urban Renewal (TIF)**
- **Urban Revitalization**

Urban Renewal – Economic Development Area

Item 1.

- **“Economic development area” means an area of a municipality designated by the local governing body as appropriate for:**
 - **Commercial and industrial enterprises,**
 - **Public improvements related to housing and residential development,**
 - **Construction of housing and residential development for low and moderate income families, including single or multifamily housing.**

Tax Increment Financing - Residential

- **Chapter 403.19 of the State Code of Iowa (*TIF*) and Chapter 403.22 (*public assistance related to housing and residential development – low-income assistance requirements*).**
- **Can only collect tax increment for a period of 10 years.**

Tax Increment Financing - Residential

- **Can only use TIF funds to reimburse for the cost of public improvements (i.e. streets, water lines, sanitary sewer, storm sewer, etc.).**
- **Low and Moderate Income (LMI) housing assistance required.**
 - **Provide an LMI “set aside”.**
 - **Provide LMI housing as part of the project.**

Amount of Assistance for LMI

- **For cities over 15,000 population, the amount of assistance required for LMI housing shall be equal to or greater than the % of the original project cost that is equal to the % of LMI residents for the county in which the urban renewal area is located.**
- **For Black Hawk County, the percentage of LMI residents is 43.98%.**

Forms of Assistance for LMI

- **Lots for low and moderate income housing within or outside of the urban renewal area.**
- **Construction of low and moderate income housing within or outside the urban renewal area.**

Forms of Assistance for LMI

- **Grants, credits, or other direct assistance to low and moderate income families living within or outside the urban renewal area, but within the area of operation of the municipality.**
- **Payments to a low and moderate income housing fund established by the municipality to be expended for one or more of the above purposes, including matching funds for any state or federal moneys used for such purposes.**

Urban Renewal (TIF) Incentive Recommendation

- **Establish a guideline to provide a tax rebate to a developer for 50% of the cost of the public infrastructure for a period of 10 years.**
- **The percentage of tax rebate to the developer will depend on if the development includes LMI units or not (100% rebate vs 56.02% rebate).**
- **Subject to the creation of a residential urban renewal area and approval of a development agreement by City Council.**

Urban Revitalization

- **Chapter 404 State Code of Iowa**
- **A City may, by ordinance, designate an area of the city as an urban revitalization area, if that area is any of the following:**
 - **An area in which there is a predominance of buildings or improvements where there is an existence of conditions which endanger life or property, and is detrimental to the public health, safety, or welfare.**

Urban Revitalization

- **An area which by reason of the presence of a substantial number of deteriorated or deteriorating structures, predominance of defective or inadequate street layout, incompatible land use relationships, faulty lot layout in relation to size, adequacy, accessibility or usefulness, unsanitary or unsafe conditions, deterioration of site or other improvements, or the existence of conditions which endanger life or property by fire and other causes, or a combination of such factors, substantially impairs or arrests the sound growth of the municipality.**

Urban Revitalization

- **An area in which there is a predominance of buildings or improvements which by reason of age, history, architecture or significance should be preserved or restored to productive use.**
- **An area which is appropriate as an economic development area as defined in section 403.17.**
- **An area designated as appropriate for public improvements related to housing and residential development, or construction of housing and residential development, including single or multifamily housing.**

Maximum Tax Exemptions

- **If Property is Assessed as Residential:**
 - **If area is designated as slum, blight or historic area, up to 100% exemption for 10 years.**
 - **If area is designated for housing and residential development, 100% exemption for 5 years on the first \$75,000 of value added by the improvements.**

Maximum Tax Exemptions

- **If property is assessed as Residential and includes 3+ separate dwelling units, including mobile home parks, and land-leased communities (also known as “Multi-Dwelling Residential”):**
 - **Up to 100% exemption for 10 years.**
- ****Note that as of 07/01/24, school district levies will not be abated as part of this program.***

Urban Revitalization Incentive Recommendation

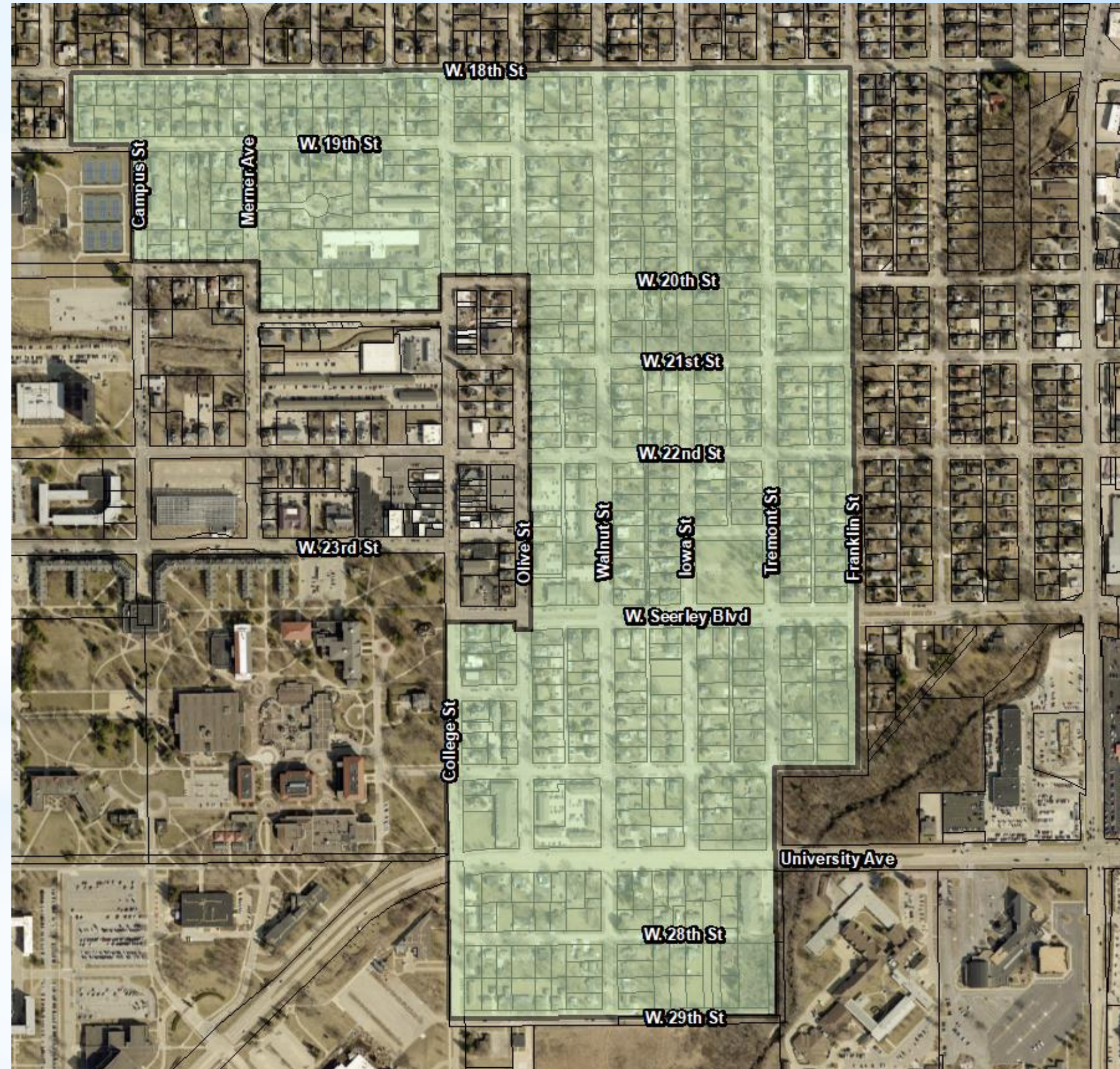
- **Create new Urban Revitalization Areas where infill development is targeted without the need for public improvements.**
- **Tax exemption schedule will be based on State Code definition of the area (i.e. slum/blight/historic = 10 year, 100%, multi-family = 10 year, 100%, etc.)**

Urban Revitalization Incentive Recommendation

- **City staff has had discussions with developers about potential housing developments within areas that do not need public infrastructure**
- **Any new Urban Revitalization Areas and applications for tax exemptions will be subject to City Council approval**

Existing College Hill URA Boundary

- **College Hill Plan Urban Revitalization Plan adopted 2012**
- **Designated as slum/blight/historic area**
- **Provides 100% exemption for 5 years**
- **Expires 12/31/2032**



Existing College Hill URA

- **Per State Code, since we already have an established area that offers a 5-year, 100% exemption, any new areas that are created must also follow this same schedule.**
- **If the City wanted to allow for a 10-year exemption as State Code allows, the current College Hill Plan must be repealed.**

Existing College Hill URA

- **Any new plans created can then offer a 10-year exemption schedule and can also include the current College Hill area within a new urban revitalization area.**
- **Since adoption in 2012, there have been 7 properties that have submitted applications for the tax exemption.**
- **Staff recommends repealing this current area so that any new areas can provide for a 10-year exemption.**

Overview of Guidelines

- **Industrial Park Incentive – Continue to use current guidelines**
- **Technology/Office Park Incentive – Continue to use current guidelines**
- **Downtown Incentive – Change from 5-year tax rebate to 10-year tax rebate**
- **College Hill Incentive – Change from 5-year tax rebate to 10-year tax rebate**

Overview of Guidelines

- **Urban Renewal (TIF) Incentive - Tax rebate to reimburse 50% of the cost of the public improvements within the development.**
- **Urban Revitalization Incentive – Utilize the tax exemption schedule based on the State Code definition of the area.**

Questions?

Floodplain Regulations, Environmentally Sensitive Lands Survey, Future Land Use Plan, and Resilience Plan

Informational Discussion

Committee of the Whole

October 21, 2024



Background

Council referral 3/18/24 regarding future development and how the City addresses potential impacts on our waterways and watersheds.

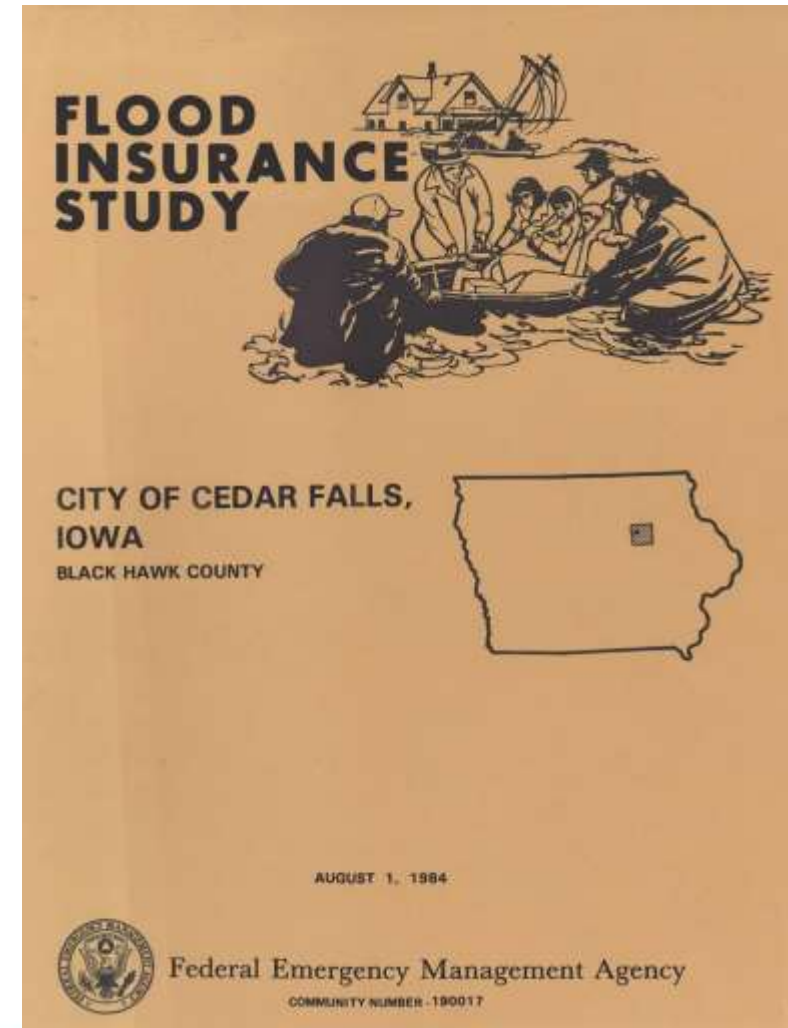
The request was to cover:

- Floodplain Regulations
- Future Land Use (Comprehensive Plan)
- Resilience Plan

Staff also included a review of the Environmentally Sensitive Lands Survey

Floodplain Regulations

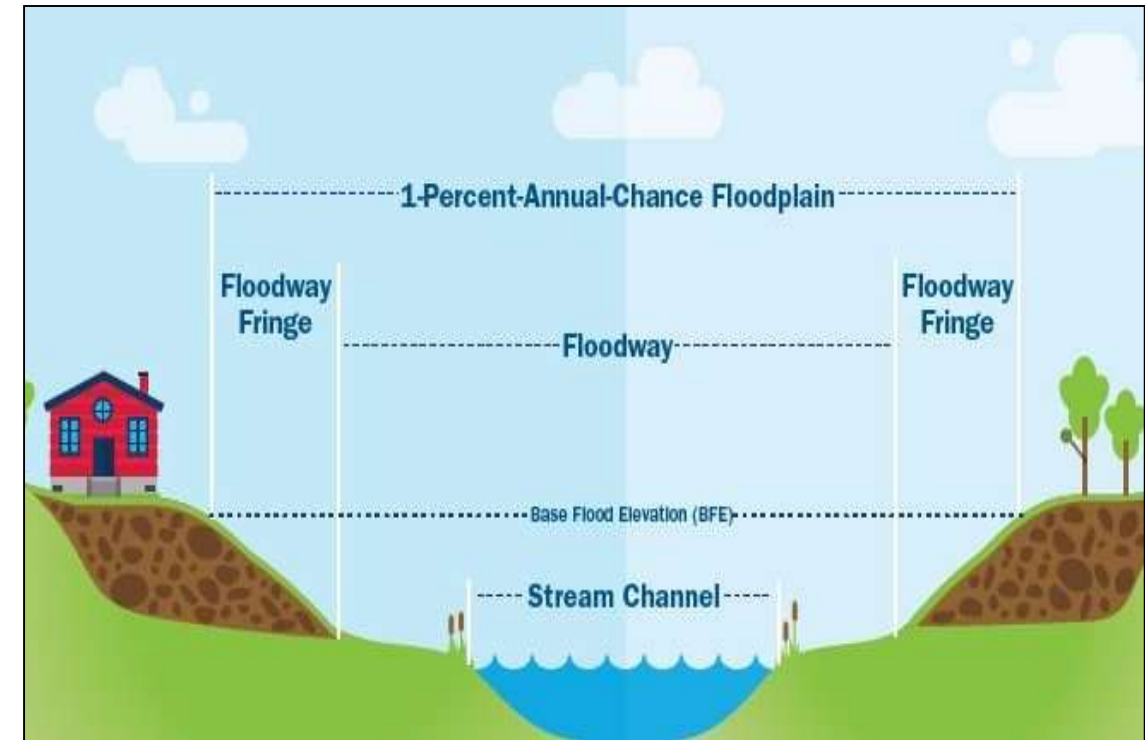
- Adopted 1985
- Major updates
 - 2010 – response to 2008 flooding
 - 2011 – adoption of New Flood Insurance Rate Maps (FIRMs)
 - 2024 – adoption of new FIRMs



Floodplain Regulations

Key Provisions in Zoning Code:

- Provides direction to reduce property damage in floodplain.
- Restricts the creation of any new lots within the floodway.
- Restricts the construction of any new buildings in the floodway.
- Restricts the volume and height of fill placed in the floodway fringe.
- Limits the creation of new lots in the floodway fringe which include a flood fringe area greater than 25% of the total lot area.
- Provides more stringent property protections than the minimum national requirements.



Floodplain Regulations

Key Provisions in Subdivision Code:

- Restricts the creation of any new lots within the floodway.
- Limits the creation of new lots in the floodway fringe which include a flood fringe area greater than 25% of the total lot area.

Park Ridge Estates



Floodplain Regulations

Constraints

- Limited by the extent of available data and studies.

Benefits

- Lower Insurance Premiums (25% discount).
- Reduce risks to structures.
- Preservation of floodplain storage.
- Greenspace and open space opportunities.

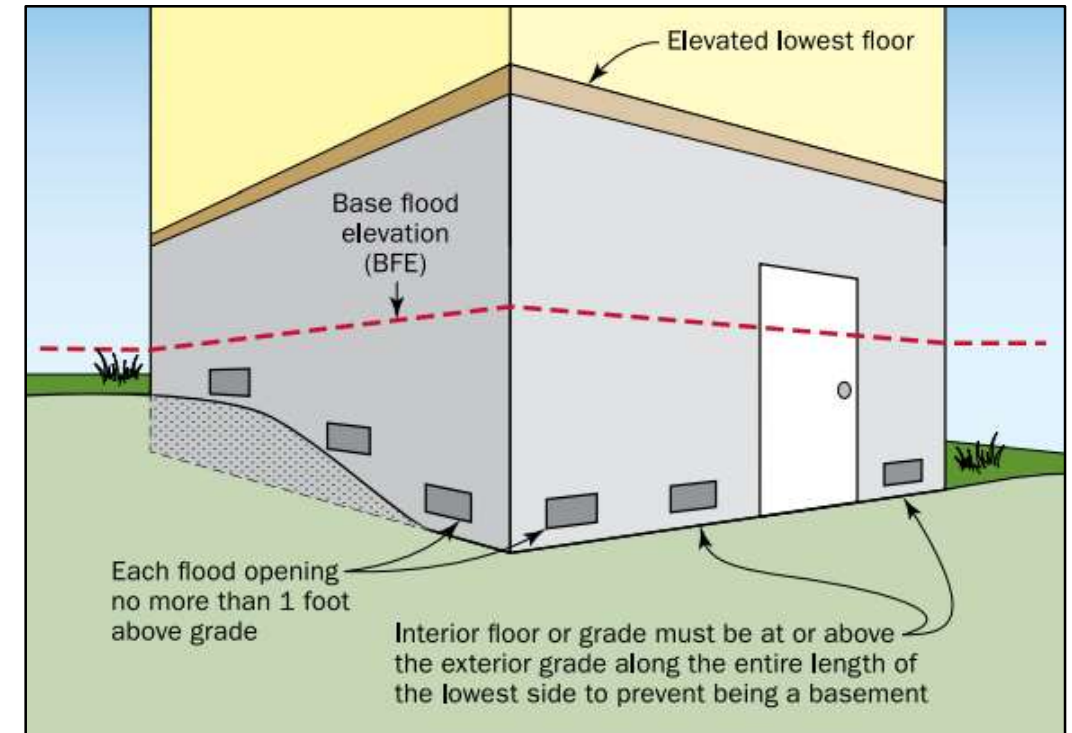
County	Average Premium	% Change
Black Hawk	\$760	-15.50
Butler	\$859	4.9
Buchanan	\$861	15.4
Bremer	\$729	27.4
Fayette	\$883	28.0
Tama	\$758	32.5
Benton	\$728	32.6
Grundy	\$689	33.5

Floodplain Regulations

Item 2.

FIRMs and Floodplain Regulations are used in review of:

- Rezoning.
- Land Use Changes.
- Subdivision Processes.
- New Building Construction.
- Renovation to Existing Buildings.



Environmentally Sensitive Lands Survey

Item 2.

Completed 2007

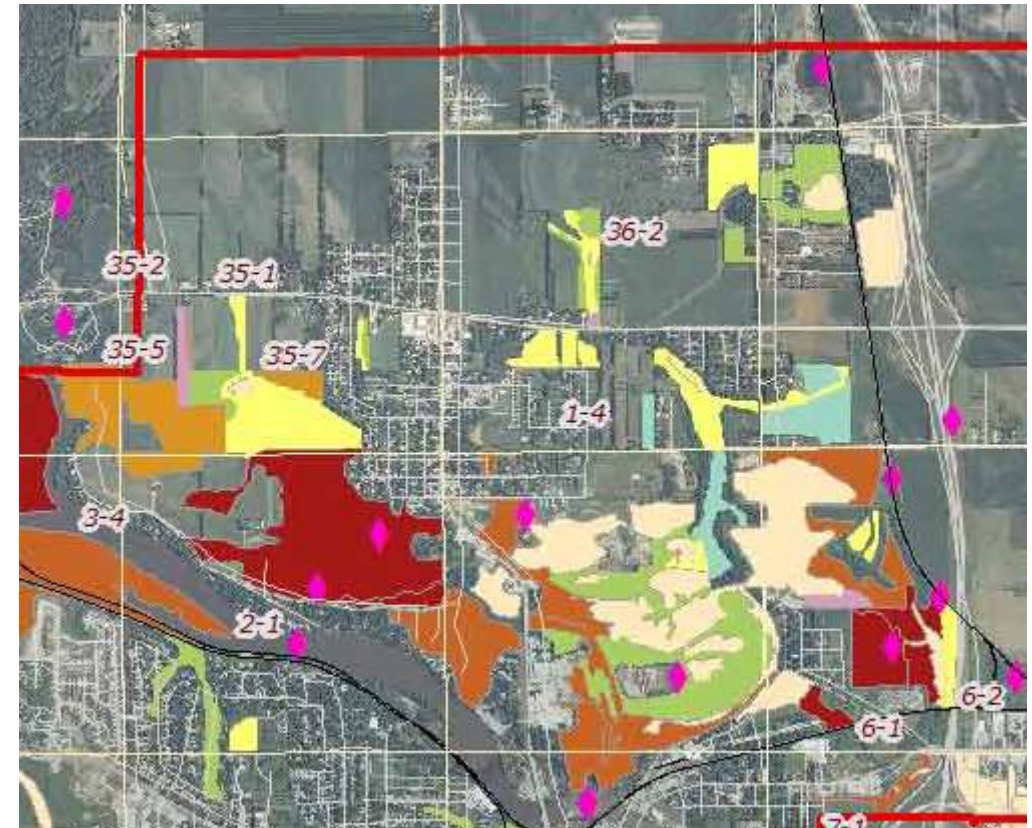
Not a regulatory document; however, recommendations are incorporated into other documents.



Environmentally Sensitive Lands Survey

Key Provisions:

- Incorporated information provided through FIRMs.
- Identified significant natural areas with public value and restoration potential.
- Evaluated water resources, such as rivers, streams, floodplains, and wetlands quality and connectivity for protection and integration into Stormwater management.
- Provided information for parks, open space, trails, and greenways.



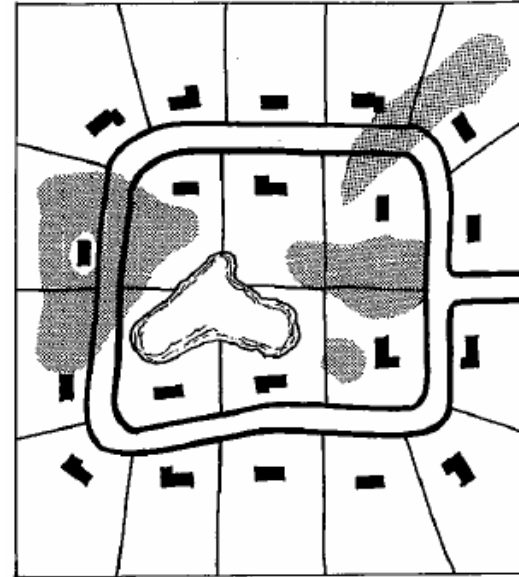
Environmentally Sensitive Lands Survey

Constraints

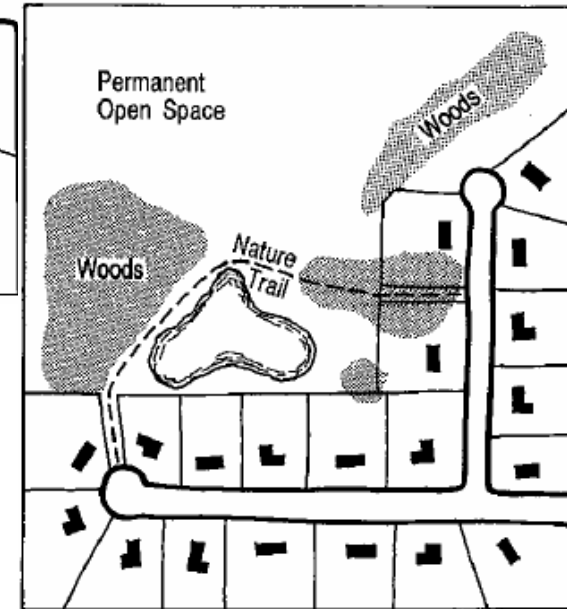
- Findings were based solely on lands that were accessible for study.

Benefits

- Provided data which was used for Comprehensive Plan 2012, Subdivision Code in 2012, and Stormwater Management Program update in 2018.



Conventional development



Sensitive lands protection development

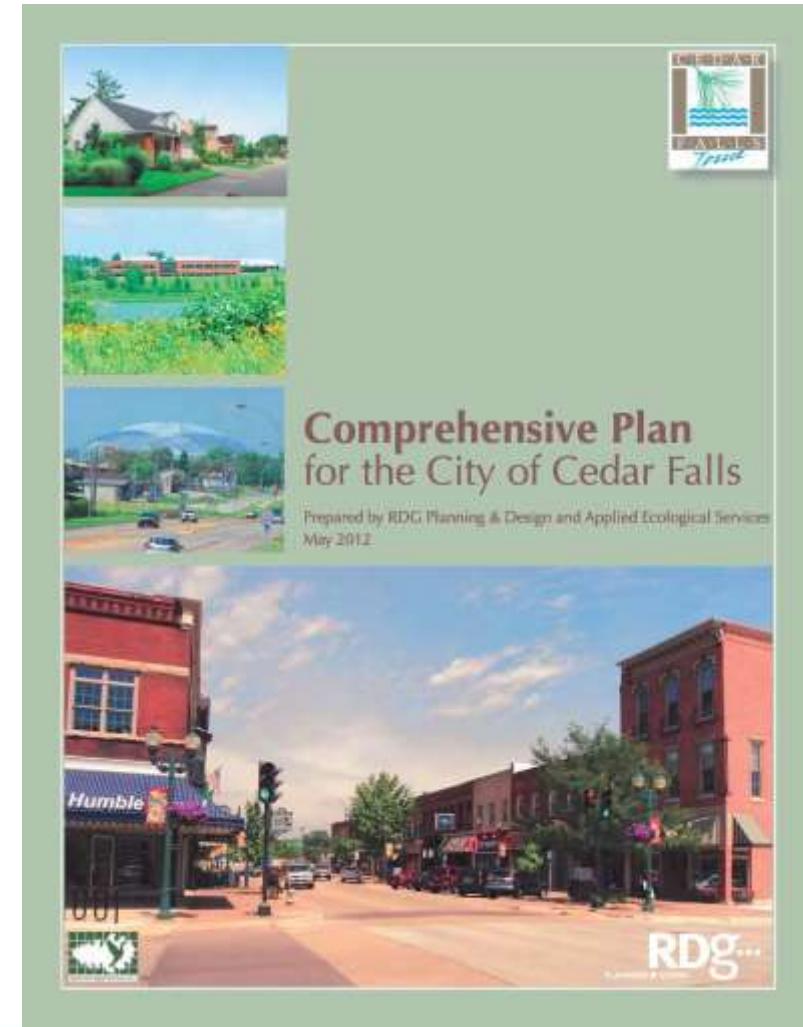
Comprehensive Plan Future Land Use Map

Item 2.

Adopted 2012

Key Provisions:

- Incorporated information from FIRMs and Environmentally Sensitive Land Survey.
- Basis for future land use and development.
- Provides guidance for parks and recreation, transportation, environment and stormwater, and economic development.

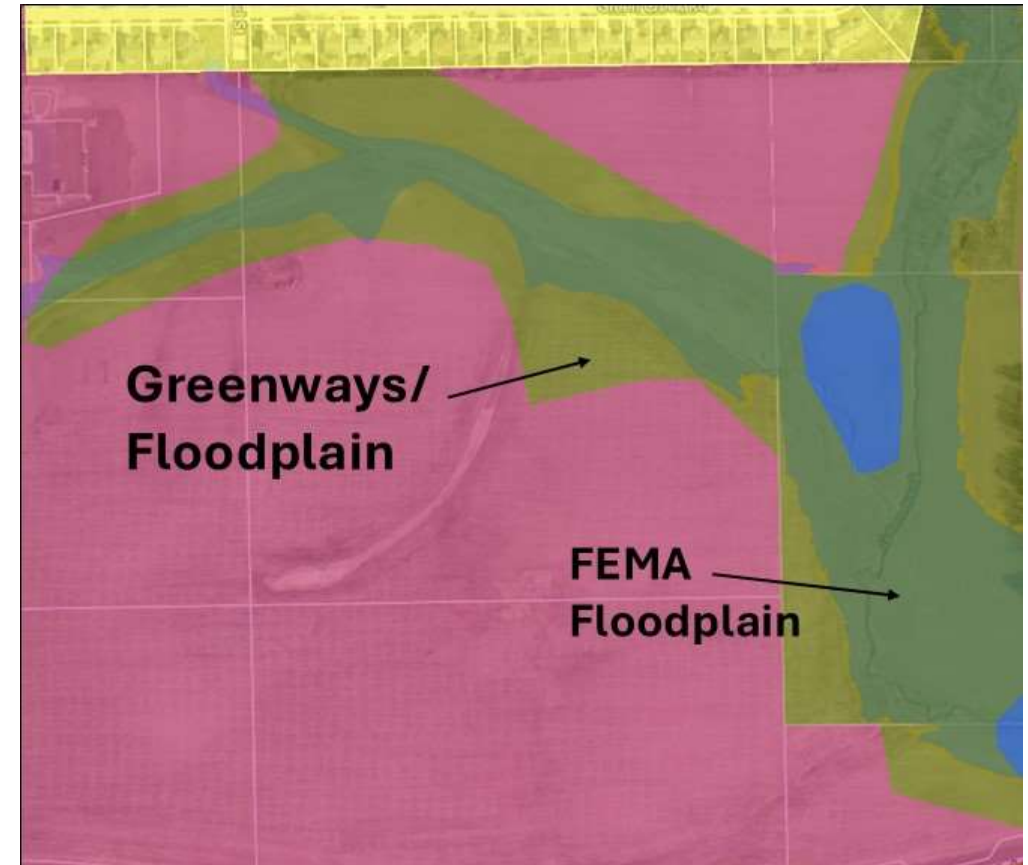


Comprehensive Plan Future Land Use Map

Item 2.

Implementation Challenges:

- Is not a parcel-by-parcel analysis of current conditions.
- The Land Use Map lacks precision, for example:
 - Areas shown as greenways/floodplain expand beyond the area of the FIRM mapped floodplain.
 - Lacks scale to determine areas outside of floodplain, and therefore, open space in development becomes a case by case negotiation.

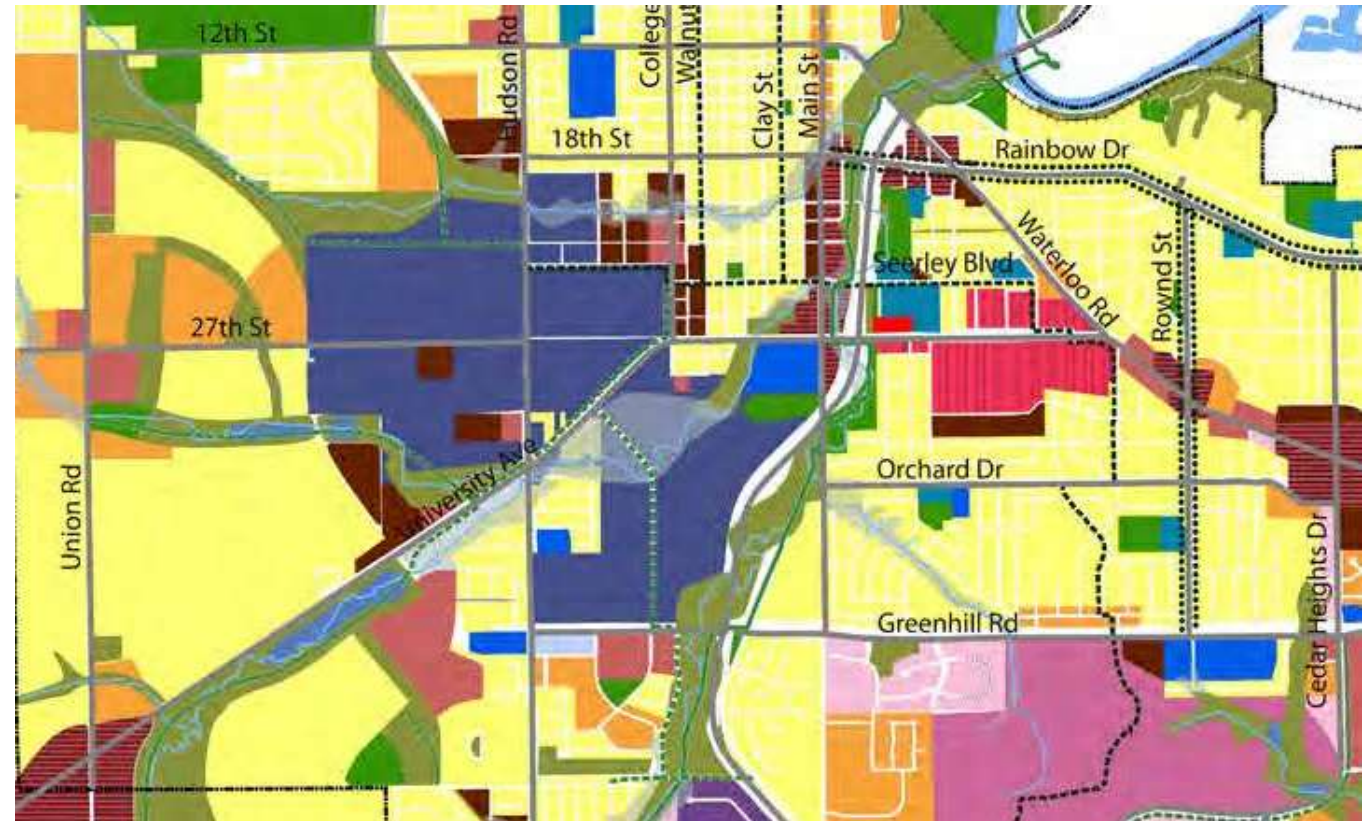


Comprehensive Plan Future Land Use Map

Item 2.

Comprehensive Plan Future Land Map is used:

- Rezoning.
- Subdivision Processes.
- Future Development.



Excerpt of Future Land Use Map

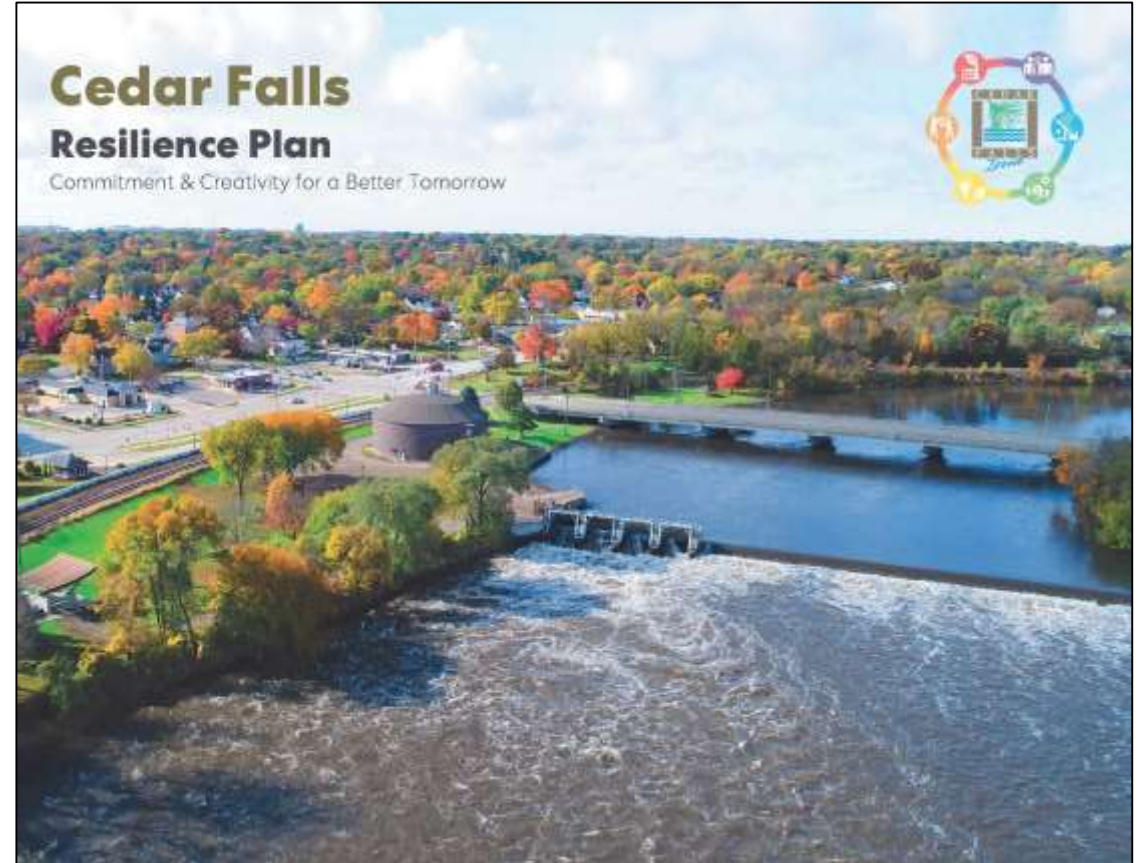
Cedar Falls Resilience Plan

Item 2.

Adopted 2024

Key Provisions:

- Used community input to identify 3 priority issues.
 - Local Economic and Community
 - Weather and Nature
 - Energy and Mobility



Cedar Falls Resilience Plan

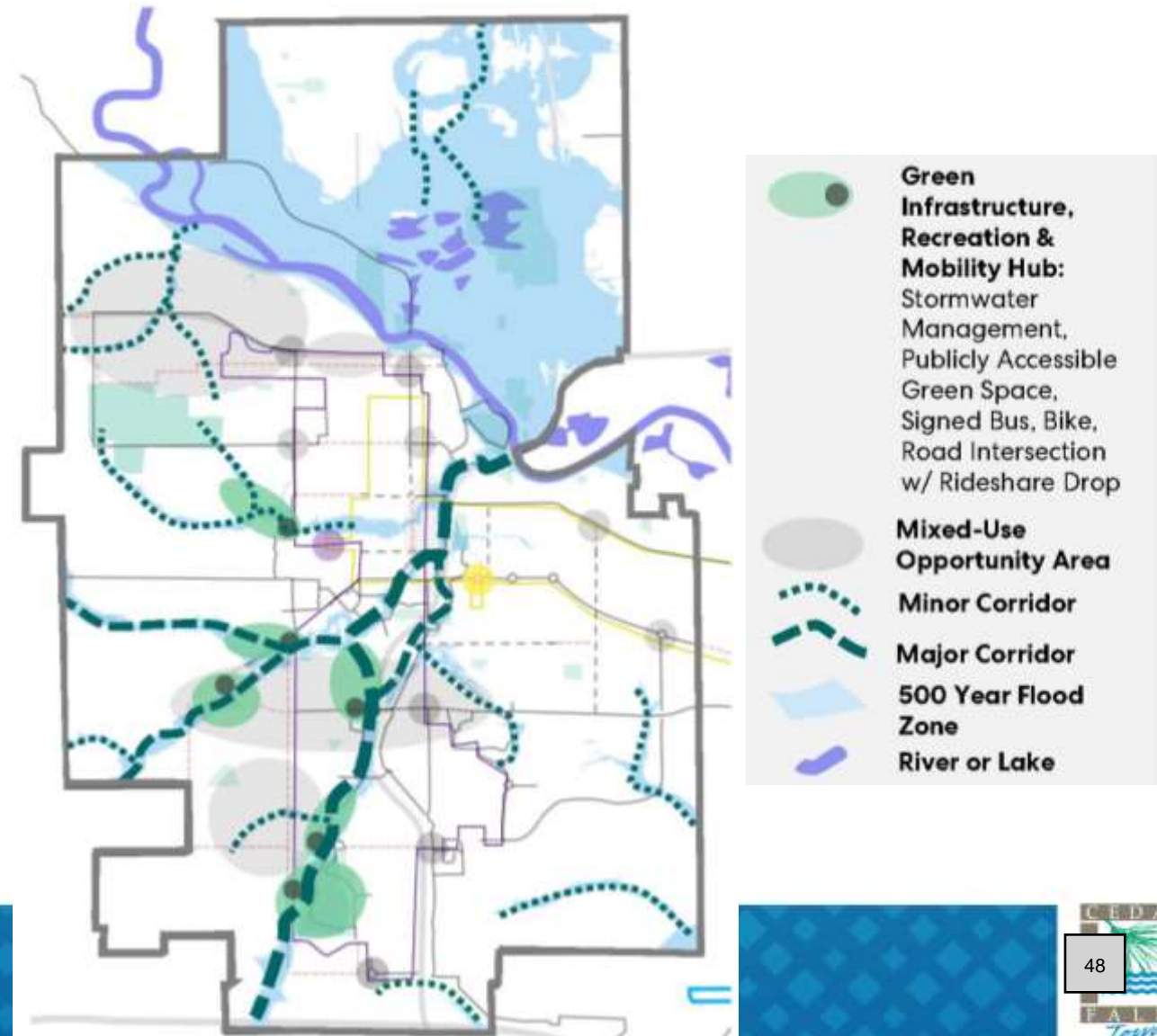
Key Provisions *(Continued)*

- Plan provides an action list for each set of issues.
 - Actions the public and City currently engage in.
 - New actions that can be incorporated in both public and private policies.
- Identifies the use of “Blue-Green Natural Corridors” to:
 - Enhance the City’s waterways and open space network.
 - Create a network for stormwater management.
 - Outdoor recreation.
 - Mobility options, such as trails and bikeways.

Cedar Falls Resilience Plan

Resilience Plan can be used for:

- Rezoning.
- Subdivision Processes.
- Future Development.
- Capital Improvements Planning.



Summary of Plans

Floodplain Regulations:

- Rezoning.
- Land Use Changes.
- Subdivision Processes.
- New Construction.
- Renovation to Buildings.

Future Land Use:

- Rezoning.
- Subdivision Processes.
- Future Development.

Environmentally Sensitive Lands Survey

Provided data for:

- Comprehensive Plan (2012).
- Subdivision Code (2012 updates).
- Stormwater Management Program (2018 update).

Resilience Plan:

- Rezoning.
- Subdivision Processes.
- Advising Public on Development.
- Capital Improvements Planning.

Recent Example

Terraces at West Glen – 2019

- In 2012, the area was shown as Greenways/Floodplain.
- In 2014, better data was provided reducing the floodplain.
- In 2019, The property was rezoned from A-1 Agriculture to R-P Residential Planned District.
- The FLUM was amended reducing the Greenways/Floodplain.

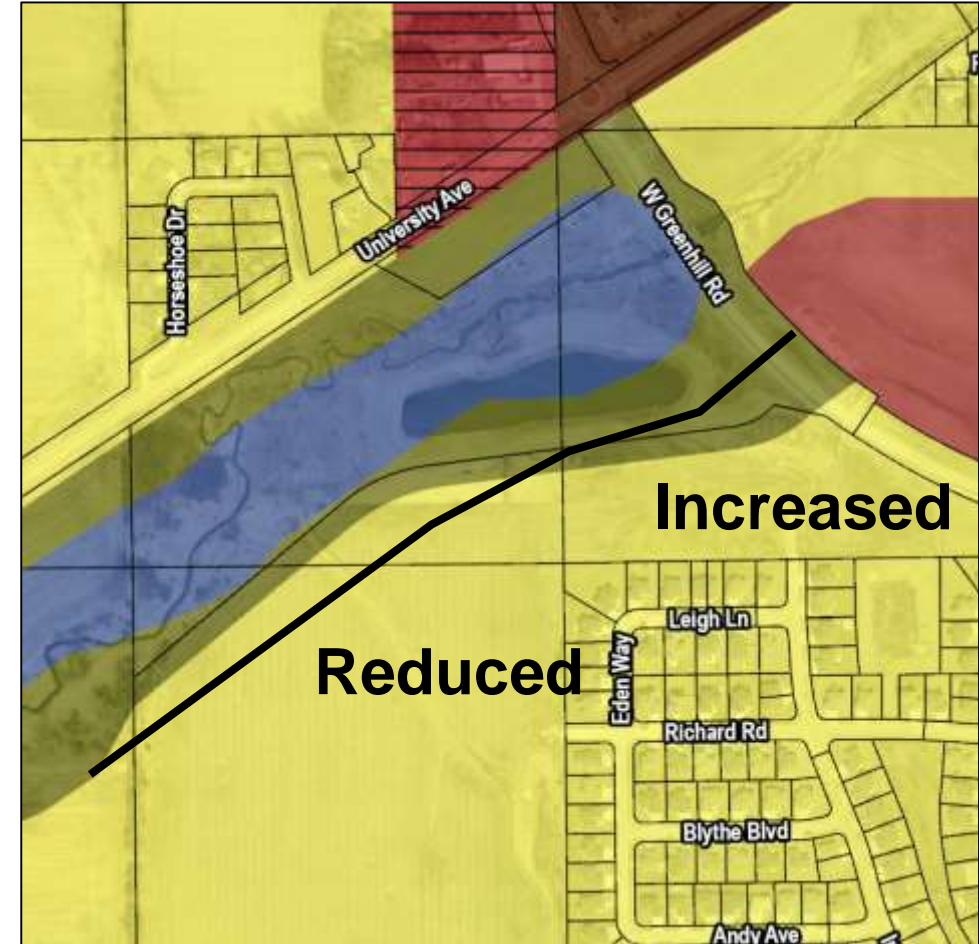


2012 Land Use Map

Recent Example

Panther West

- Black line shows the 2012 Greenways/Floodplain extent
- In 2024, The property was rezoned from R-1 Residence District and MU Mixed Use Residence District to R-P Residential Planned District.
- The FLUM was amended changing the Greenways/Floodplain to the areas.



Questions & Discussion