



CITY OF IOWA CITY COUNCIL ACTION REPORT

August 6, 2024

Resolution terminating the Sycamore & First Avenue Urban Renewal Plan for the Sycamore & First Avenue Urban Renewal Area and ending the Sycamore & First Avenue Urban Renewal Area.

Prepared By:	Rachel Kilburg Varley, Economic Development Coordinator
Reviewed By:	Geoff Fruin, City Manager
Fiscal Impact:	n/a
Staff Recommendation:	Approval
Commission Recommendations:	n/a
Attachments:	County Recorder Cover Sheet Resolution

Executive Summary:

The City adopted the Sycamore & First Avenue Urban Renewal Plan (URP) for the Sycamore & First Avenue Urban Renewal Area (URA) by Resolution No. 00-295 on August 15, 2000, and amended by separate resolutions in 2003, 2014, and 2020. The Sycamore & First Avenue TIF District created within the URA expired in 2022 per the State of Iowa's statutory sunset date. The City's bond counsel recommends that expired TIF Districts be terminated formally through Ordinance and, if there is no further current need for the URA, that a resolution be adopted ending the Urban Renewal Area (URA) and Urban Renewal Plan (URP). This resolution terminates the Sycamore & First Avenue URA and URP. City Council will consider a separate ordinance for the termination of the TIF District.

Background / Analysis:

Under Iowa law, Urban Renewal Areas (URA) and Tax Increment Financing Districts (TIF District) work together as a tool to revitalize slum and blighted areas and spur economic development. URAs are the areas designated for urban renewal projects while TIF Districts are the taxing district and funding mechanism for carrying out such projects. URAs are created by the adoption of an Urban Renewal Plan (URP) by resolution that describes the types of projects to be undertaken. TIF Districts must be located within an established URA and are created by ordinance. URPs designate the URA on the basis of Blight/Slum Remediation or Economic Development. Statutory sunset, or expiration, dates are applied to the TIF district based upon the URA designation. Areas designated for Commercial and Industrial Economic Development, like the Sycamore & First Avenue district, sunset 20 years from the calendar year after the first certification of debt.

The Sycamore & First Ave TIF District statutorily sunset in 2022. As such, the City has no longer been collecting TIF revenues or certifying debt on the area. All previously certified debt for prior urban renewal projects within the Sycamore & First Avenue URA has been

completed. Since there are no additional urban renewal projects currently requiring the Sycamore & First Ave URA, the City's bond counsel recommends that a resolution be adopted ending the Urban Renewal Area (URA) and Urban Renewal Plan (URP). City Council will consider a separate ordinance for the termination of the TIF District. In the future, if the City identifies another urban renewal project it wishes to assist or undertake in the area of Sycamore & First Avenue, a new URA, URP, and TIF District may be established.