



CITY OF IOWA CITY COUNCIL ACTION REPORT

August 6, 2024

Resolution terminating the Scott Six Urban Renewal Plan for The Scott Six Urban Renewal Area and ending the Scott Six Urban Renewal Area.

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| 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 - Scott Six Resolution - Scott Six |

Executive Summary:

The City adopted the Scott Six Urban Renewal Plan (URP) for the Sycamore & First Avenue Urban Renewal Area (URA) by Resolution No. 97-255 on July 29, 1997, and amended by separate resolutions in 2011 and 2020. The Scott Six TIF District created within the URA expired in 2023 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 Scott Six 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 Scott Six district, sunset 20 years from the calendar year after the first certification of debt.

Since debt was first certified on the area in 2002, the Scott Six TIF District statutorily sunset in 2023. 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 Scott Six URA has been completed. Since there are no additional urban renewal projects currently

requiring the Scott Six 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 Scott Blvd and Highway 6, a new URA, URP, and TIF District may be established.