



CITY OF IOWA CITY COUNCIL ACTION REPORT

February 17, 2026

Resolution determining an area of the City to be an Economic Development Urban Renewal Area, and that the rehabilitation, conservation, redevelopment, development, or a combination thereof, of such area is necessary in the interest of the public health, safety or welfare of the residents of the City; designating such area as appropriate for urban renewal projects; and adopting the North Dodge & Scott Urban Renewal Plan.

Prepared By:	Rachel Kilburg Varley, Economic Development Coordinator
Reviewed By:	Geoff Fruin, City Manager Alexandra Bright, Asst. City Attorney
Fiscal Impact:	N/A
Staff Recommendation:	Approval
Commission Recommendations:	N/A
Attachments:	Consultation Meeting Minutes 1-29-26 P&Z Rec'd for CC - N Dodge & Scott PZ 2.4.26 Draft Meeting Minutes North Dodge & Scott URP - Authorizing Resolution Exh 1 to Resolution - N Dodge & Scott URP

Executive Summary:

The adoption of an urban renewal plan and creation of an urban renewal area allows municipalities to establish a Tax Increment Financing (TIF) District to help financially support and undertake urban renewal projects within the area. The adoption of the North Dodge & Scott Urban Renewal Plan and creation of the North Dodge & Scott Urban Renewal Area positions the City to support anticipated and future development, redevelopment, and infrastructure improvement projects occurring on this former ACT campus site. The steps to create this Urban Renewal Area and adopt the Plan have been completed pursuant to the process required by state code:

1. On January 20, 2026, City Council passed Resolution No. 26-24 which adopted a Resolution of Necessity, set the tax entity consultation meeting, and set the public hearing.
2. On January 22, 2026, the City Clerk mailed the Consultation Meeting Notice to the Iowa City Community School District and Johnson County Board of Supervisors.
3. On January 29, 2026, the required Consultation Meeting with other taxing entities was held. One representative attended on behalf of the Iowa City Community School District and no representatives attend for the Johnson County Board of Supervisors. At this meeting, the City and School District generally discussed the development anticipated in the area and the City's planned intersection improvements at North Dodge Street. No written requests for modification to the proposed Area or Plan were received from either

jurisdiction.

4. On January 30, 2026, the public hearing notice set for February 17, 2026 was published in the Iowa City Press-Citizen, complying with Iowa Code Section 362.3, which states that notices must be published not less than four days and not more than 20 days before a public hearing.
5. On February 4, 2026, the Planning & Zoning Commission reviewed the proposed Urban Renewal Area and proposed Urban Renewal Plan for conformity with the City's Comprehensive Plan pursuant to State Code requirements, and approved a recommendation to City Council that the proposed Area and Plan are in conformity.
6. The public hearing to consider designation of the Economic Development Urban Renewal Area and adoption of the North Dodge & Scott Urban Renewal Plan is set for February 17, 2026.

It is important to note that the creation of an urban renewal area and adoption of an urban renewal plan does not constitute the approval of projects or development agreements, but affords the City Manager and/or City Council to consider approval of such projects in the future. Adoption of a Tax Increment Financing District within the N Dodge & Scott Urban Renewal Area will be submitted to Council for separate consideration.

Background / Analysis:

Iowa Code Chapter 403 authorizes cities to designate urban renewal areas to address conditions that impede sound growth, development, and economic vitality. Under state law, an urban renewal area may be established when an area is determined to be blighted, an economic development area, or a combination thereof, and when the use of urban renewal powers is deemed necessary to promote the public health, safety, and welfare. The proposed N. Dodge & Scott Urban Renewal Area is generally located in the commercial area bordered by North Dodge St/Highway 1 and Interstate 80 along the northern boundary, North Scott Boulevard along the western and southern boundaries, and ACT Road and the eastern edge of the existing ACT campus development along the eastern boundary. The urban renewal area is intended to support high-quality development outcomes while ensuring that necessary public improvements can be delivered in a fiscally responsible manner.

The proposed urban renewal area consists of approximately 150 acres encompassing the northwestern portion of the former ACT campus that is planned for new commercial and senior housing development, and the surround City streets. The campus was purchased by JNB Iowa City in April 2024. Initial redevelopment activity within the proposed urban renewal area includes the repurposing of two former office buildings into 44 units of market-rate senior housing, construction of 44 new affordable senior housing units supported by Low-Income Housing Tax Credits, and new commercial development along Highway 1 anticipated to include grocery, financial institution, restaurant, and office uses.

These redevelopment activities necessitate public infrastructure improvements to support safe access, circulation, and long-term functionality of the area. Planned improvements include construction of a four-way signalized intersection at North Dodge/HWY 1 and ACT Circle, with a new connection into ACT Drive. Creation of the Urban Renewal Area and associated TIF district will allow the City to help fund these improvements through an internal TIF loan, utilizing increment generated by the new taxable value created within the district. Plans and bid documents for this improvement will be brought forward for separate City Council consideration and approval.

The conditions present within the proposed N. Dodge & Scott Urban Renewal Area meet the statutory criteria for designation as an economic development area under Iowa Code Chapter 403. The scale of redevelopment and the need for coordinated public infrastructure investment impact the area's ability to redevelop in a timely and efficient manner without public involvement. Establishment of the Urban Renewal Area and adoption of the Urban Renewal Plan provides the necessary planning and financing framework to support reinvestment, modernization, and long-term economic vitality and, where appropriate, use TIF as authorized under Chapter 403 to support public improvements directly related to redevelopment. At this time, the use of TIF is anticipated to be limited to public infrastructure and related improvements that facilitate private investment and align with adopted City plans and policies. Any future uses of TIF in this Urban Renewal Area would require an amendment to the Urban Renewal Plan, and thus approval by City Council.

It is important to note that the adoption of an urban renewal plan and designation of an urban renewal area does not approve specific development projects or financial obligations. Rather, it creates a planning and financing framework through which future improvements or development proposals may be considered by the City Council following applicable public notice, hearing, and approval requirements. The proposed North Dodge & Scott Urban Renewal Plan and Urban Renewal Area are intended to support long-term economic growth, improve public benefit, and advance the goals of the City's strategic plan.