

Public Participation in a City Council Meeting:

The Public Comment portion of the meeting is the time to address the Mayor and City Council on topics not on the agenda. If a member of the public wishes to comment on an item on the agenda, they may do so while that item is being discussed by coming to the microphone and stating your name and address. Comments should be limited to 3 minutes or less and should be addressed to the Mayor and Council as a whole and not individually. Response from elected officials or staff is at the Mayor's discretion.

**CITY OF MARSHALLTOWN COUNCIL AGENDA
CITY HALL COUNCIL CHAMBERS
10 WEST STATE STREET
APRIL 1, 2024, 6:00 PM**

A. CALL TO ORDER**B. PLEDGE OF ALLEGIANCE****C. ROLL CALL**

Kell, Ladehoff, Mitchell, Nichols, Schneider, Thompson, Vacancy
(4th Ward)

D. DISCUSSION**1. URBAN RENEWAL AND REVITALIZATION TRAINING**

Documents:

[2024-04-01_Memo Chapter 403 and 404 Training.pdf](#)
[4-01-24 Presentation.pdf](#)

E. ADJOURNMENT**MISSION STATEMENT**

The City of Marshalltown collaborates to provide a welcoming, safe, vibrant, and growing community.

Please visit the City's website for the complete agenda packet and to subscribe to agenda notices and department news at www.marshalltown-ia.gov.



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I O W A

Joel Greer, Mayor
24 North Center Street
Marshalltown, IA 50158
PH 641.754.5701 | FX 641.754.5717

TO: Mayor and City Council
FROM: Cindy Kendall
DATE: 3-28-24
RE: Urban Renewal and Revitalization Training

Strategic Plan:

- ☐ Strategy 1: Expand and improve development in the community.
- ☐ Strategy 2: Enhance Marshalltown's public image.
- ☒ Strategy 3: Continually improve and sustain the City's infrastructure, organization, and services.
- ☐ Strategy 4: Partner with citizens, for-profit, non-profit, and others to improve quality of life.

Plan Objective: N/A

Recommendation: As an open meeting, certain staff and others interested in this topic may be invited.

Budget Impact: None

Description/Background: Marshalltown is very active in various types of economic development and infrastructure improvements. With new Council members and with the change in staffing, I have prepared a training session on Urban Renewal and Revitalization, two of the most used and least understood tools allowed under Iowa Chapters 403 and 404.

This training is specific to Marshalltown. In addition to the background of these tools, we will discuss each of the active plans and associated amendments. Each of these plan documents contain specific projects. Samples of projects in each designated area will be included in the discussion.

HF 718 also contained a component which will impact the city's current tax abatement programs (the Revitalization Plan). Council will be briefed concerning this new requirement, during this training but formal action will be forthcoming at an April Council meeting.

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Barry Kell, Mike Ladehoff, Mark Mitchell,
Greg Nichols, Jeff Schneider, Gary Thompson, Vacancy





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MARSHALLTOWN URBAN RENEWAL AND REVITALIZATION TRAINING SESSION 4-1-24

Cindy Kendall, MPA
CKendall Consulting, LLC
Marshalltown, IA
641-754-5799 (office)
614-485-2143 (cell)



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MARSHALLTOWN DEVELOPMENT TOOLS

- Know what we are dealing with
 - Property Tax Impact Factors
- Tools are already in place
- Relationships between programs



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TOOLS COVERED TODAY

- Urban Renewal – Iowa Code 403
 - Community Colleges
 - Counties
 - Cities
- Urban Revitalization – Iowa Code 404
- Local Economic Development Programs
- State Economic Development Programs



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URBAN REVITALIZATION – THE EASY ONE

☐ **RESIDENTIAL TAX ABATEMENT – Select one tax abatement schedule below.**

Residential filing fee: \$50.00 per residential unit (e.g. Single \$50, Duplex \$100, Triplex \$150, 50 Units \$2,500)

- | | |
|--|--|
| ☐ Three-Year Schedule | Over three years: 100%, 100%, 100% |
| ☐ Five- Year Schedule | Over five years: 100%, 80%, 60%, 40%, 20% |
| ☐ Ten-Year Schedule | Over ten years: 80%, 70%, 60%, 50%, 40%, 40%, 30%, 30%, 20%, 20% |

☐ **COMMERICAL TAX ABATEMENT – Schedule is three years at 100% for each of the three years.**

Commercial filing fee: \$50.00

The improvements made to the property are believed to have increased its actual value by at least ten (10) percent and have been made in compliance with all applicable laws, codes and ordinances. There is no dollar limit for qualifying property improvements.

Industrial Abatement (Exemption) is standard schedule available through the state forms

HF 718 Now requires minimum assessment agreements – currently working with legal staff



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CONSTITUTIONAL DEBT LIMIT

- Constitutional Debt Limit = 5% of City Assessed Valuation

Applies to:

- All General Obligation Bonds
- Some Tax Increment Finance Borrowings
 - Annual Appropriation



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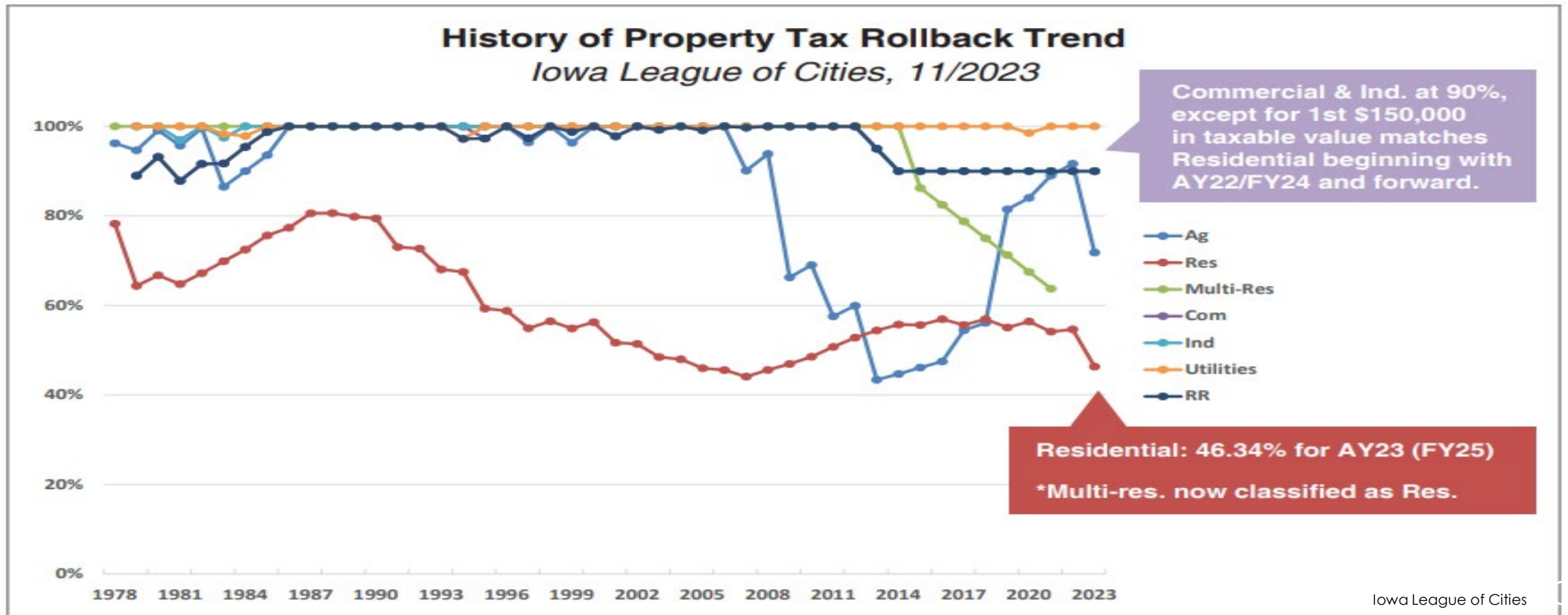
CITY GENERAL SERVICE RESOURCE: PROPERTY TAXES

- Property values and their importance to economic development
- How do property taxes work and what do they say about your community
- Iowa property tax relief law: how it impacts businesses and local governments



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ROLL BACK HISTORY – ALL CLASSES





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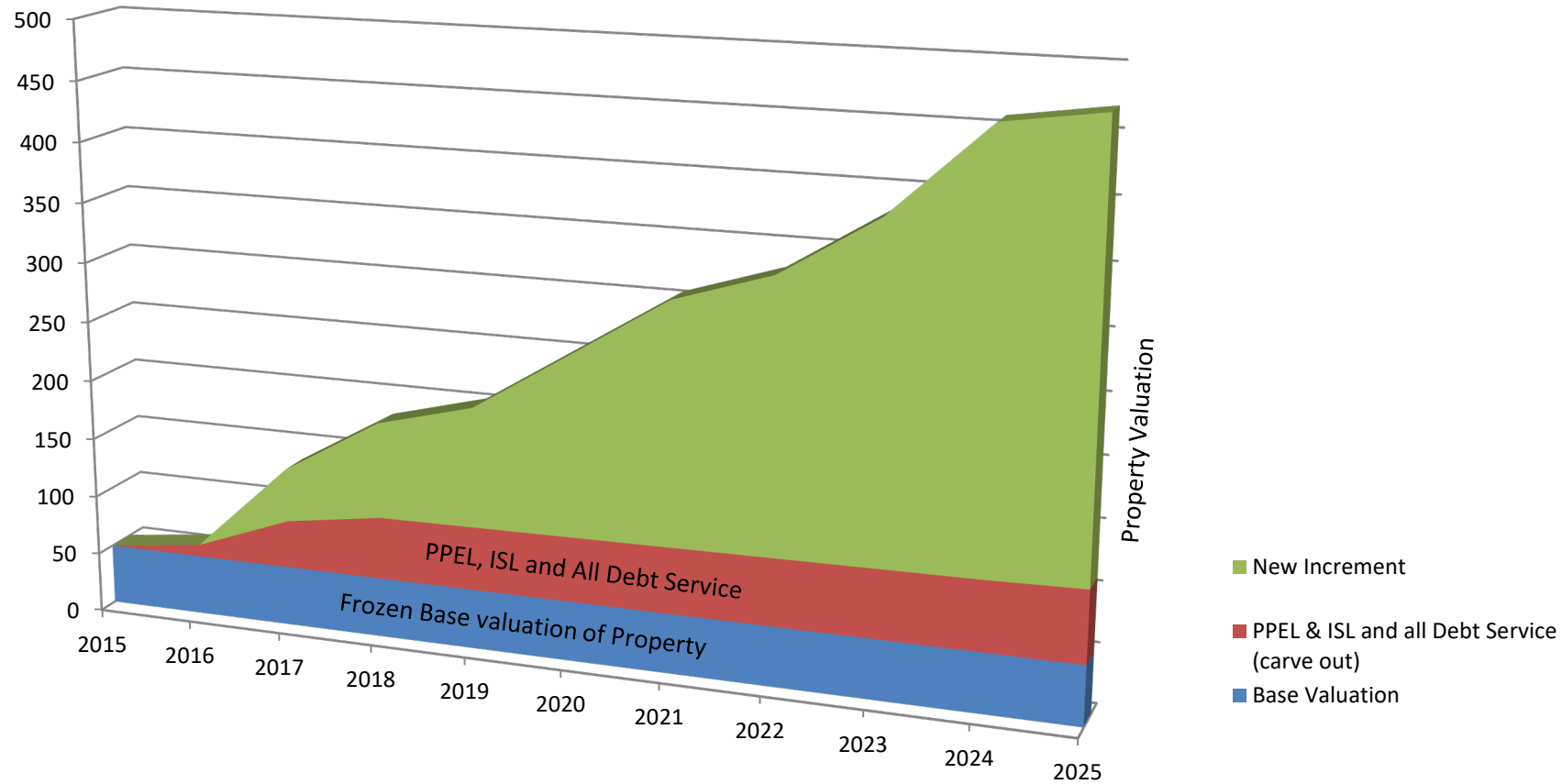
Residential Property Example				
100% Assessment Frozen Base	100,000	A		
Budget Year Value	102,000	B		
Reduced by Exemptions(Homestead etc)		Only available to owner occupied residentials		
Residential Rate @50%	51,000	C	Rollback	
Budget Year Taxable Value	51,000	D		
Taxable budget year base value Line A-C=E	49,000	E		
Taxable budget year increment Line D-E=F	2,000	F		

Commercial Property Example			
100% Assessment Frozen Base	500,000	A	
Budget Year Value	800,000	B	
Residential Rate @50%	75,000	Roll Back on first 150,000	
Commercial Rate @ 90%	65,000	Roll Back on rest of value	
Total rollback	140,000	C	
Budget Year Taxable Value	660,000	D	
Taxable budget year base value Line A-C=E	360,000	E	
Taxable budget year increment Line D-E=F	300,000	F	



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TAX INCREMENT FINANCING





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FOUR TYPES - URBAN RENEWAL PLAN DESIGNATIONS

- Slum Area
- Blighted Area
- Economic Development
 - Commercial/Industrial Purposes
 - Low/Moderate Income Housing
 - Infrastructure for Non-Low/Moderate Income Housing
- Mixed Use



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ELEMENTS OF AN URBAN RENEWAL PLAN

It all starts with an **idea**, a question on how to achieve community **goals/needs**

Does it comply with Chapter 403 and Chapter 15A of the Code of Iowa

Does it comply with the Comprehensive Planning and Zoning Plan

Is there an area in the community that would support/benefit

What projects can be defined for this area, cost and timing



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CREATING AN URBAN RENEWAL PLAN

- Proposed UR Plan document, map and ordinance drafted and reviewed for legal and debt limit compliance
- UR must comply with Comp Plan - P & Z meeting to review with written affirmation
- Consultation with affected taxing entities
- Public Notice
- Adoption of Plan, map and ordinance
- Filing with County Auditor
- Annual reporting compliance which must be approved by Council



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MECHANICS OF TAX INCREMENT FINANCING

- The levies for all of the taxing authorities are applied to the increment
- Those monies are then directed to the authority to pay for cost of the improvements
- May not require that all of the monies be directed if not necessary – money released to other taxing authorities



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Hy-Vee Development



URBAN RENEWAL AREA NO. 1



URBAN RENEWAL AREA NO. 2

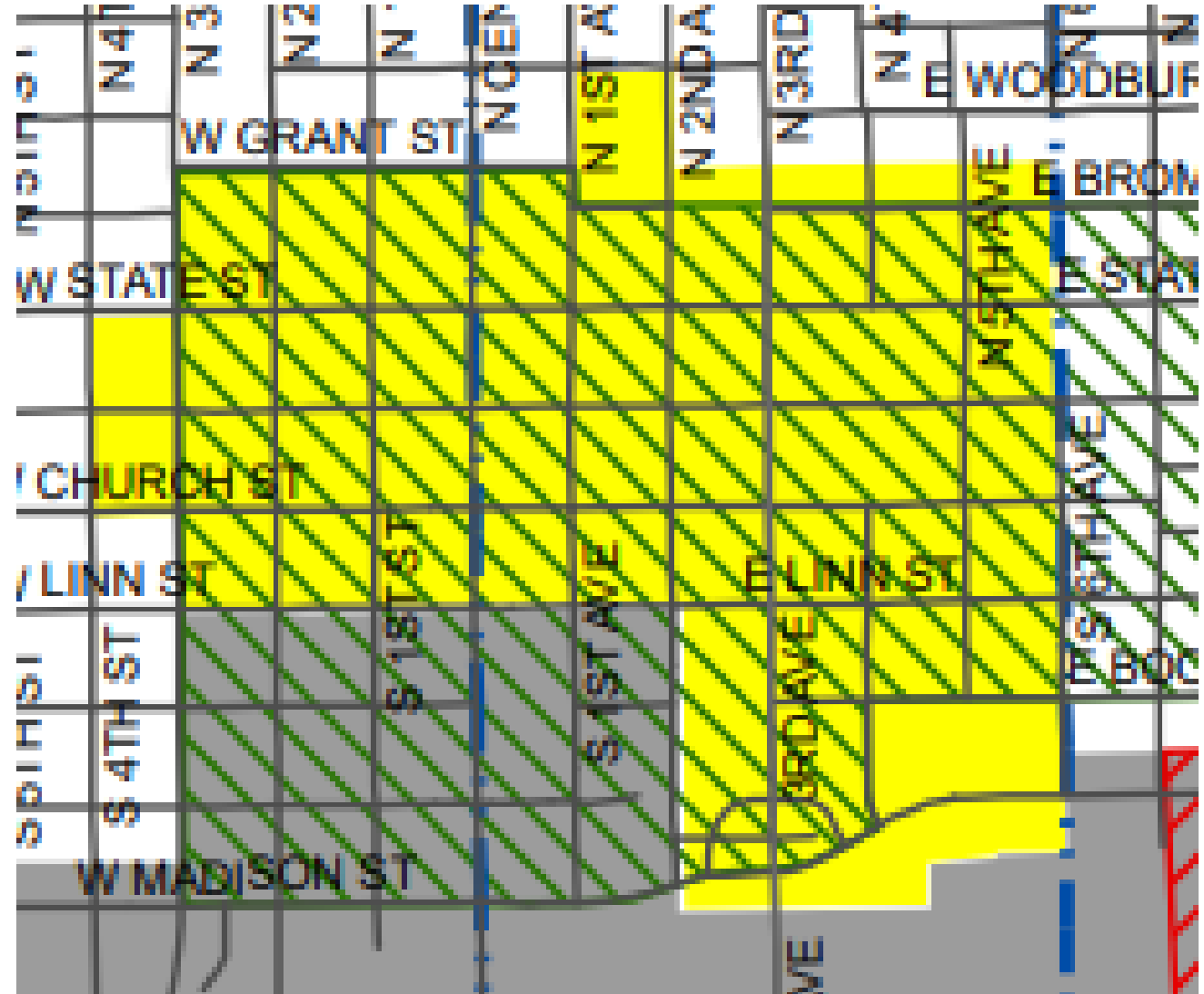


URBAN RENEWAL AREA NO. 3



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Downtown



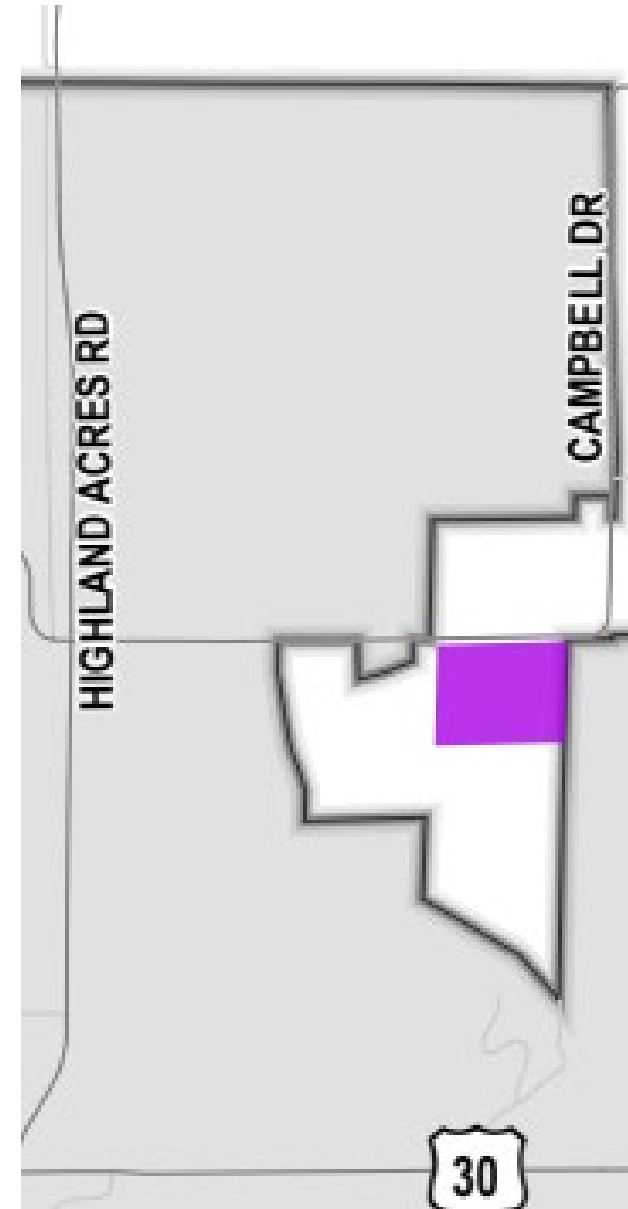
URBAN RENEWAL AREA NO. 4



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No 5

URBAN RENEWAL AREA NO. 5

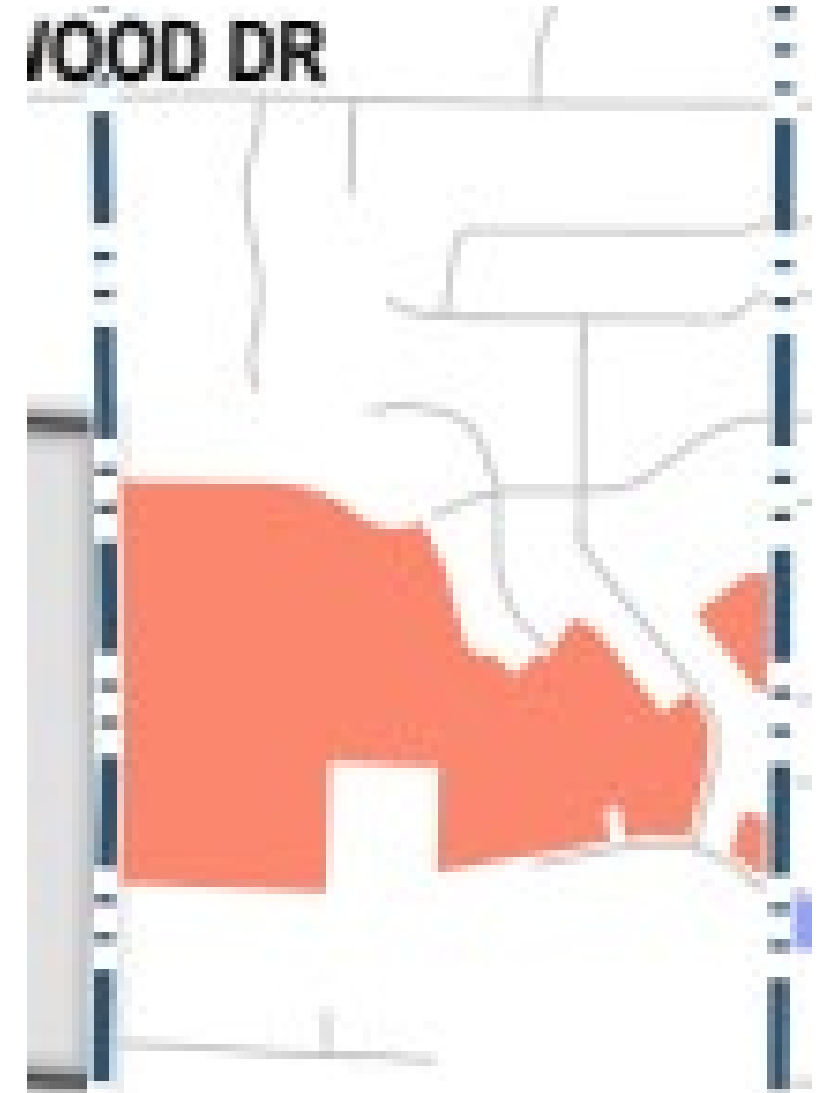




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Glenwood Development

URBAN RENEWAL AREA NO. 6

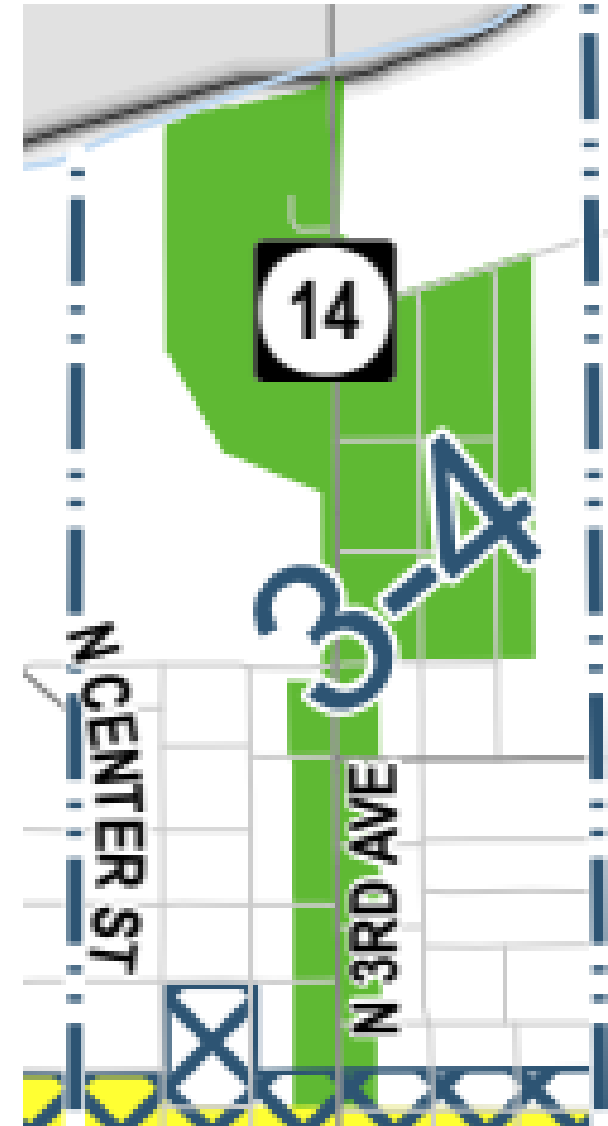




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North Commercial Entry

URBAN RENEWAL AREA NO. 7





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QUESTIONS?