

MARSHALLTOWN

— I O W A —

City Administrator's Office

Joel Greer, Mayor
Jessica Kinser, Administrator
Alicia Hunter, City Clerk
24 North Center Street
Marshalltown, IA 50158-4911
Tel - (641) 754-5799
Fax - (641) 754-5717

To: Mayor Greer and the City Council
From: Jessica Kinser, City Administrator
Date: January 18, 2022
RE: Creation of New Urban Renewal Area

A number of positive things are occurring in the North 3rd Avenue/Highway 14 area which are leading to now being an ideal time to create a new urban renewal area. This was a recommendation of the 2018 Highway 14 Corridor Study. An urban renewal area would freeze all values at the most recent valuation year (2022), which would then create incremental value moving forward. The incremental value is the amount of property valuation between the frozen valuation and the new valuation. This then becomes tax increment financing (TIF) revenue which can be rebated as an incentive for the development that created the new higher property valuations.

In the first half of 2022, the area will be proposed to a new mixed-use zoning, making redevelopment opportunities easier. Karl of Marshalltown has also recently purchased both car dealerships at the north end of the corridor, and is planning a significant renovation and a new building. We are also looking at what possibilities exist for redevelopment with the opening of the Edgewood Industrial Park in 2023.

The process to create an urban renewal plan can take a number of weeks, as it is a lot of moving pieces. An urban renewal area can be created based on a slum and blight (no sunset date) or economic development (20-year sunset). Legal counsel at Dorsey and Whitney will be in the best position to advise what is the best path forward for the area. Bolton & Menk will create the map and legal description needed of an area. The proposed boundaries are shown on the map on the next page, but would encompass North 3rd Avenue from Bromley Street (current terminus of the Downtown Urban Renewal Area) to the Iowa River, encompassing parcels on both sides of the street. We are also proposing to capture the area of the "avenues"- 4th and 5th Avenue from Woodland Street to Marion Street, as these are proposed for a new zoning classification as well. In addition, we can look at adding in the Edgewood Industrial Park land to the east of the blue boundaries, but as vacant ag land, it might change the ability to qualify for a slum/blight designation.

At this time, I am asking for the Council to direct me/staff to begin work on establishing a new urban renewal area. If given that direction, the next step would be to come back on the February 14th Council meeting with a proposed incentive project for Karl of Marshalltown to be included in the plan. Once that is finalized, we should be able to set a public hearing on the February 28th meeting and then hold a public hearing and consider adoption at the March 28th meeting. During that time, a development agreement with Karl of Marshalltown can be worked out to time as closely as possible with adoption of the plan.

City Council

Al Hoop, Gabriel Isom, Barry Kell, Mike Ladehoff,
Jeff Schneider, Gary Thompson, Dex Walker





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