



Approved

**MINUTES
CITY OF DUBUQUE LONG RANGE PLANNING ADVISORY COMMISSION
REGULAR SESSION**

5:30 p.m.

Wednesday, October 21, 2015
City Council Chamber, Historic Federal Building

Commissioners Present: Chairperson Chad Darter; Commissioners Alan Vincent, Jim Prochaska, John Pregler, Joshua Clements, and Mark Dolson.

Commissioners Excused: Commissioner Charles Winterwood.

Commissioners Unexcused: None.

Staff Members Present: David Johnson, Maurice Jones and Laura Carstens.

CALL TO ORDER: The meeting was called to order by Chairperson Darter at 5:30 p.m.

CERTIFICATION OF COMPLIANCE: Staff presented an Affidavit of Compliance verifying that the meeting was being held in compliance with the Iowa Open Meetings Law.

INTRODUCTION OF NEW MEMBER: Chairperson Darter introduced new Long Range Planning Advisory Commissioner Mark Dolson. The Commission welcomed Commissioner Dolson.

MINUTES: Motion by Prochaska, seconded by Vincent, to approve the minutes of August 19, 2015 as submitted. Motion carried by the following vote: Aye – Vincent, Prochaska, Clements, Pregler and Darter; Nay - None; Abstain - Dolson.

ACTION ITEMS:

Creation of the English Ridge Housing Urban Renewal Area Plan. Economic Development Director Maurice Jones presented the request. Staff Member Jones reviewed the district will be an urban renewal area which allows the City of Dubuque to capture tax increment revenue from improvements made in the district in order to promote economic development activities.

Staff Member Jones explained the plan will be created for the development of the English Ridge Residential District as well as improvements along Stone Valley Drive. He noted that in addition to the development of infrastructure, tax increment financing

will be used to benefit low and moderate income individuals in our community. He explained the need to create the English Ridge Housing Urban Renewal Area has risen from the desire to utilize tax increment financing to allow both public and private development efforts to benefit from the flexibility in the use of tax increment financing in the district.

Staff Member Jones stated the district has a 10-year life and is projected to generate \$6.3 million in increment with \$2.3 million going to affordable housing throughout the community and \$493,000 going to English Ridge public improvements and other improvements in the district. He explained a consultation was held to provide the taxing bodies an opportunity to meet with staff to discuss the plan. He stated no representatives from the taxing bodies attended.

Staff Member Jones stated a City Council public hearing on the amended and restate urban renewal plan is scheduled for November 2nd and a public notice will be published 4-24 days prior to the meeting to allow the public an opportunity to comment.

The Commission questioned how low income differs from moderate income. Staff explained moderate income is no more than 80% of area median income adjusted for family size and low income is no more than 50% of area median income adjacent for family size as established by the state.

The Commission questioned whether the increment has to be used in the district. Staff Member Jones explained the housing tax increment does not have to be used in the district, but it does have to benefit low and moderate income individuals elsewhere in the city.

The Commission questioned whether the city has a plan outlined for directing the increment, which will benefit affordable housing in the community. Staff Member Carstens explained the Housing and Community Development Department prepares and updates a five-year consolidated plan that identifies areas of housing needs in the community and how to address those needs. She noted the Consolidated Plan was recently presented to the Commission for their comment.

The Commission questioned when the increment becomes available. Staff Member Jones explained the urban renewal area plan only creates the opportunity to collect increment. The money does not actually become available until property is sold. The Commission suggested the increment should be invested in areas of the city where services are available, especially transportation.

The Commission and staff reviewed the benefits of TIF for housing development. Staff noted the TIF decreases the risk for developers and creates incentives for housing opportunities for low and moderate income individuals. Staff Member Carstens stated the City of Dubuque, through housing TIFs, has an important local income stream of

money to support housing needs. Staff Member Jones explained all uncommitted funds are scheduled to go back to the taxing bodies.

The Commission questioned whether the City is committed to the approximately \$3.3 million in uncommitted funds. Staff Member Jones explained plans can be amended; however, the level of uncommitted funds is fixed.

The Commission questioned whether the increment can be used to assist more than 38.1% of low to moderate income family housing in the city. Staff Member Jones explained the percentage is locked and any change would have to be approved by the Iowa Economic Development Authority.

The Commission discussed how TIF has evolved over the last 20 years, noting improvements no longer have to go back into the district and its use in housing improvements. The Commission asked how this is allowed by State law. Staff Member Jones explained there cannot be tax increment financing without urban renewal. He explained TIF has traditionally been used to address blight and urban renewal, however, the state has decided that by helping low and moderate income individuals with housing that in turn helps economic development efforts locally.

Staff Member Jones reviewed the difference between perpetual TIF and TIF districts which have a defined time frame. He explained increment has to be used in the district for economic development districts whereas that is not the case for housing tax increment financing districts. He explained housing TIFs allow infrastructure development to stimulate housing and economic growth in areas that otherwise would not see it.

The Commission questioned recent housing TIFs, noting development likely would have eventually happened regardless of the TIF district. Staff noted the development would not generate funds for housing, and may have taken longer to occur.

The Commission questioned how housing TIFs impact revenue to the general budget and long-term implications in terms of debt. The Commission asked whether the City has considered using the money offsetting the public improvements, and instead just directly invest that into programs which benefit low and moderate income housing.

Staff Member Jones explained the district does not take revenue out of the general funds. Staff Member Carstens reiterated that housing TIFs are one of the only opportunities to create a local revenue source for low and moderate income housing as well as develop infrastructure.

The Commission noted TIF has been a topic of discussion locally and around the nation for a number of years. The Commission acknowledged its benefits; but also noted TIF can result in the need to increase taxes in the long-term. Staff Member Jones explained that TIF has a shelf life. He stated after the TIF ends, the increment is returned to the taxing bodies.

The Commission questioned how past TIFs have been amended in order to re-set the time frame of the TIF, noting a number of requests have been made to the Commission for such actions. Staff Member Jones clarified that it was for economic development TIF districts, not housing TIF districts. He explained you cannot re-set the clock on housing TIF districts. Staff Member Jones explained it can only be re-set for commercial uses and it is done in order to make a piece of property more marketable and attractive to a prospective business or developer.

The Commission questioned whether any low or moderate income housing is proposed in the housing TIF districts. Staff Member Carstens confirmed there is not. Staff Member Carstens reviewed other city incentives for low and moderate income housing. Staff reviewed new production as well as tax credits.

The Commission questioned how much money is being requested to invest in the English Ridge Public Improvements. The Commission noted \$493,000 in public improvements are going into English Ridge.

The Commission discussed TIF and recommended the City research the potential long-term implications and adverse effects of over using TIF. The Commission noted some communities are stopping using TIF altogether. The Commission noted their role is to make a recommendation as to the plan's consistency with the City of Dubuque Comprehensive Plan.

Motion by Pregler, seconded by Clements, to recommend the Urban Renewal Plan is consistent with the 2012 City of Dubuque Comprehensive Plan and recommend City Council accept the Plan. Motion carried by the following vote: Aye – Vincent, Prochaska, Clements, Pregler, Dolson and Darter; Nay – None.

ITEMS FROM PUBLIC: None.

ITEMS FROM COMMISSION: Commissioner Prochaska questioned the status of the U.S. 52 /Central Avenue Corridor and Storefront Improvement Project. Staff Member Carstens explained the Planning Services Department is working with Economic Development and Housing and Community Development staff on storefront and corridor improvements. She noted Staff Member Jones has been in contact with the Iowa State Community Design Lab. She explained in the past the design lab has assisted with concepts for storefronts and streetscape plans. The Commission requested staff provide an update at the next meeting.

Website: The Commission and staff discussed recent public confusion over how often the Commission meets. The Commission noted they only meet when business is conducted and not every month. Therefore, there may not be an agenda or minutes posted monthly. The Commission requested staff note the Commission may not meet every month on the City of Dubuque website.

ITEMS FROM STAFF:

By-Laws Update: Staff Member Johnson noted the Legal Services Department and City Council has recently made updates to City Code language for all Boards and Commissions, and By-Laws need to be amended as a result. He explained the reason for the updates is to bring uniformity and consistency to the By-Laws. He stated there are no substantive changes to the role of the Commission. Staff Member Johnson reviewed the changes.

Motion by Vincent, seconded by Pregler, to amend the by-laws as presented. Motion carried by the following vote: Aye – Vincent, Prochaska, Clements, Pregler, Dolson and Darter; Nay – None.

ADJOURNMENT: Motion by Vincent, seconded by Pregler, to adjourn the October 21, 2015 Long Range Planning Advisory Commission meeting. Motion carried by the following vote: Aye – Vincent, Prochaska, Clements, Pregler, Dolson and Darter; Nay – None.

The meeting was adjourned at 6:26 p.m.

Respectfully submitted,

Laura Carstens, Planning Services Manager

Adopted