



City Hall, 215 Sycamore St.
Muscatine, IA 52761-3840
(563) 262-4141
Fax (563) 262-4142

COMMUNITY DEVELOPMENT

MEMORANDUM

To: Mayor and City Council Members
Cc: Greg Jenkins, Interim City Administrator
From: Andrew Fangman, Assistant Community Development Director
Date: May 21, 2020
Re: Resolution Supporting an Application to The Iowa Finance Authority by Muscatine Downtown Investors, LLC, For Housing Tax Credits for a Proposed Multi-Family Located at 403 West Mississippi Drive

Planning,
Zoning,
Building Safety,
Construction Inspection Services,
Public Health,
Housing Inspections,
Code Enforcement

Muscatine Downtown Investors, LLC is proposing a multi-family residential development project at 403 West Mississippi Drive, the southwest corner of Mississippi Drive and Linn Street. The proposed project would remove an existing commercial building to facilitate the construction of a new building of precast concrete and wood frame construction. The building will be comprised of off-street parking for residents on the ground floor with apartments on the upper level. The building will contain 22 total new units comprised of 20 two-bedroom units and 2 one-bedroom units. Six of the two-bedroom units will be designed as fully accessible units with on grade access. The building will take advantage of the terrain with two levels of parking stepping up the hill, both parking decks will be accessed from Linn Street. The intent of the project is to provide workforce housing with each unit providing an exterior balcony with views of the river. Additionally, the building massing is situated to ensure minimal impact on the views from neighboring properties (primarily on 2nd Street). See attached diagrams and plans.



The Iowa Economic Development Authority (IEDA), an agency of the State of Iowa, has created a Workforce Housing Tax Credit program which provides tax benefits to developers to provide housing in Iowa communities, focusing especially on those projects using abandoned, empty or dilapidated properties. A Small Cities set aside for this program is available to eligible projects within the 88- least populous counties in the state, which includes Muscatine County. The Iowa Economic Development Authority (IEDA) announced on April 29, 2020 that it has opened a new application round for the Workforce Housing Tax Credit program. Approximately \$10 million in tax credits is available for this application round and is only open for the Small Cities' Set Aside component. The proposed proposing a multi-family residential development project at 403

West Mississippi Drive is eligible to participate in this program, and Muscatine Downtown Investors is submitting an application for tax credits from this program.

One of the requirements of this application is a resolution from the City Council of the community in which the project is located. The attached resolution expresses support for this project as it helps achieve several important community goals related to housing, downtown, and workforce development; including the development of high quality downtown housing, the development of accessible downtown housing, the development of downtown housing with off street parking, and infill development that maximizes the use of previous public investments in infrastructure.

The application for Workforce Housing Tax Credits also looks for documentation of any financial support from the City. The proposed project would qualify for tax abatement, under the City's established tax abatement program.

Tax abatement is a tool to encourage economic development by providing incentives for new construction or for the expansion of existing facilities within a defined Urban Revitalization Area may include the entire city or designated areas of the city. Essentially, tax abatement is the temporary reduction of property taxes on the improvements made to an existing property. The owner would still have to pay the amount owed for taxes pre-improvement, but may qualify for decreased taxes on the improvements.

In 2013, City Council created a tax abatement program from properties located within an area identified as the "2013 Muscatine Housing Urban Revitalization Area." Property owners within the Area will be able to receive an abatement of taxes on eligible improvements to their property that increases the assessed value of the property by meeting one of several thresholds. In 2018, the tax abatement program was expanded to multi-residential and commercial residential properties, and new areas eligible to participate in the program. More information on the City's tax abatement program can be found at this link: <http://muscatineiowa.gov/726/Tax-Abatement-Program>

The proposed project as a new multi-family residential development within the 2013 Muscatine Housing Urban Revitalization Area qualifies under the established tax abatement program for a five-year abatement of 100% of the property taxes to be paid on the assessed value added by project. The attached resolution, confirms the eligibility of the project for the tax abatement program.

While not directly relevant to this resolution, it should be mention that because the subject property is zoned M-1 Light Industrial, two variances will need to be granted to allow for the construction of this project. One to allow for multi-family residential as a use for this site, aside from a caretakes residence, residential uses are not a permitted use in the M-1 district. The other variance would be to reduce the required 30' front yard setback to no required setback. The Zoning Board of Adjustment will hear these variance requests at its June 2nd meeting.

RESOLUTION NO. 2020-0182**RESOLUTION SUPPORTING AN APPLICATION TO THE IOWA FINANCE
AUTHORITY BY MUSCATINE DOWNTOWN INVESTORS, LLC, FOR
HOUSING TAX CREDITS FOR A PROPOSED MULTI-FAMILY LOCATED AT
403 WEST MISSISSIPPI DRIVE**

WHEREAS, Muscatine Downtown Investors, LLC is proposing a multi-family residential development project at 403 West Mississippi Drive;

WHEREAS, said project would remove an existing commercial building would remove the existing commercial building to facilitate the construction of a new building of precast concrete and wood frame construction. The building will be comprised of off-street parking for residents on the ground floor with apartments on the upper level. The building will contain 22 total new units comprised of 20 two-bedroom units and 2 one-bedroom units. Six of the two-bedroom units will be designed as fully accessible units with on grade access. The building will take advantage of the terrain with two levels of parking stepping up the hill, both parking decks will be accessed from Linn Street. The intent of the project is to provide workforce housing with each unit providing an exterior balcony with views of the river. Additionally, the building massing is situated to ensure minimal impact on the views from neighboring properties (primarily on 2nd Street);

WHEREAS, said project helps achieve several important community goals related to housing, downtown, and workforce development; including the development of high quality downtown housing, the development of accessible downtown housing, the development of downtown housing with off street parking, and infill development that maximizes the use of previous public investments in infrastructure;

WHEREAS, the proposed project is eligible for of the Iowa Economic Development Authority's Workforce Housing Tax Incentives Program as it will redeveloped a site that currently can classified as a grayfield site, under the definition of the Iowa Economic Development Authority's Workforce Housing Tax Incentives Program;

WHEREAS, in 2013, City Council first established, with Ordinance No 92403-0513, a tax abatement program when it approved a plan to place designated areas in a program identified as the "2013 Muscatine Housing Urban Revitalization Area." Property owners within the Area will be able to receive an abatement of taxes on eligible improvements to their property that increases the assessed value of the property by meeting one of several threshold;

WHEREAS, the tax abatement program was expanded on March 1, 2018 by Ordinance No 94200-0318, to include multi-residential and commercial residential properties within in the designated revitalization area;

WHEREAS, the subject property which located at 403 West Mississippi Drive is located within the defined boundaries of the 2013 Muscatine Housing Urban Revitalization Area;

WHEREAS, the proposed project as a new multi-family residential development within the 2013 Muscatine Housing Urban Revitalization Area qualifies under the established tax abatement program for a five-year abatement of 100% of the property taxes to be paid on the assessed value added by project. The total value of this tax abatement will exceed \$1,000 per unit; and

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF MUSCATINE, IOWA, that is the Muscatine City Council's formally supports this application for Workforce Housing Tax Credit funding for this project, and confirms that would qualify for tax abatement as outline above.

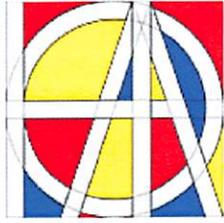
PASSED, APPROVED, AND ADOPTED this 21st day of May 2020.

CITY COUNCIL OF THE CITY OF
MUSCATINE, IOWA

Attest:

Diana L. Broderon, Mayor

Greg Jenkins, Interim City Clerk



horizon.
original.
architecture.

May 14, 2020

Memorandum for Muscatine City Council

RE: Request for Resolution of Support for Tax Abatement

Property Owner:
Muscatine Downtown Investors, LLC
101 West Mississippi Drive
Muscatine, IA 52761

Dear Sir or Ma'am,

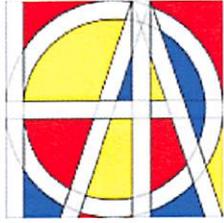
We are in the planning phase for a new multifamily residential project for the parcel located at 403 West Mississippi Drive. The site currently holds a single story commercial building and a foodservice concession. The current zoning is M-1 Light Industrial. The new project would remove the existing commercial building to facilitate the construction of a new building of precast concrete and wood frame construction. The building will comprise off street parking for residents on the ground floor with apartments on the upper level. The building will contain 22 total new units comprised of 20 two bedroom units and 2 one bedroom units. 6 of the two bedroom units will be designed as fully accessible units with on grade access. The building will take advantage of the terrain with two levels of parking stepping up the hill, both parking decks will be accessed from Linn Street. The intent of the project is to provide workforce housing with each unit providing an exterior balcony with views of the river. Additionally, the building massing is situated to ensure minimal impact on the views from neighboring properties (primarily on 2nd Street).

As part of our project development, we are applying for financial assistance programs through the Iowa Economic Development Agency including the Workforce Housing Tax Credit and the Disaster Workforce Housing Tax Credit. One of the requirements for the program is that the municipality demonstrate some form of financial support for the program. We are requesting that the Council issue a resolution indicating this project's compliance with the Multi-Residential Tax Abatement program for a period of 5 years of 100% abatement. The property is already eligible for the program, we simply require a resolution indicating as such for our application.

We are excited to help make this project a success and look forward to bringing quality workforce housing to Muscatine. Please let me know if you have any questions or need any additional information. We appreciate your consideration!

Very truly yours,

Michael S. Nolan, AIA, LEED AP, CPHC



horizon.
original.
architecture.

May 6, 2020

Memorandum for City of Muscatine Board of Adjustments

RE: Variance Request for Parcel 1302208018 (403 West Mississippi Drive)

Property Owner:
Muscatine Downtown Investors, LLC
101 West Mississippi Drive
Muscatine, IA 52761

Dear Sir or Ma'am,

We are in the planning phase for a new multifamily residential project for the parcel located at 403 West Mississippi Drive. The site currently holds a single story commercial building and a foodservice concession. The current zoning is M-1 Light Industrial. The new project would remove the existing commercial building to facilitate the construction of a new building of precast concrete and wood frame construction. The building will comprise off street parking for residents on the ground floor with apartments on the upper level. The building will contain 22 total new units comprised of 20 two bedroom units and 2 one bedroom units. 6 of the two bedroom units will be designed as fully accessible units with on grade access. The building will take advantage of the terrain with two levels of parking stepping up the hill, both parking decks will be accessed from Linn Street. The intent of the project is to provide workforce housing with each unit providing an exterior balcony with views of the river. Additionally, the building massing is situated to ensure minimal impact on the views from neighboring properties (primarily on 2nd Street).

Current M-1 Zoning does not have allowance for multi-family residential and requires a 30' front yard setback. To make best advantage of the site and blend with the surrounding neighborhood, we are requesting 2 variances for the project:

- 1) 0' Front Yard Setback.
 - a. This is inline with the adjacent properties and would be in accordance with the adjacent downtown C-2 Zoning areas.
- 2) Allow Multifamily Residential Occupancy on the site
 - a. The current M-1 Zoning is a legacy designation and not necessarily in character with the current use of the area. The area is much more closely aligned with the C-2 Downtown Commercial district which allows residential occupancy on the 2nd floor and above. This project will meet that intent with parking on the lower level and residences above.

We are excited to help make this project a success and look forward to bringing quality workforce housing to Muscatine. Please let me know if you have any questions or need any additional information. We appreciate your consideration!

Very truly yours,

Michael S. Nolan, AIA, LEED AP, CPHC

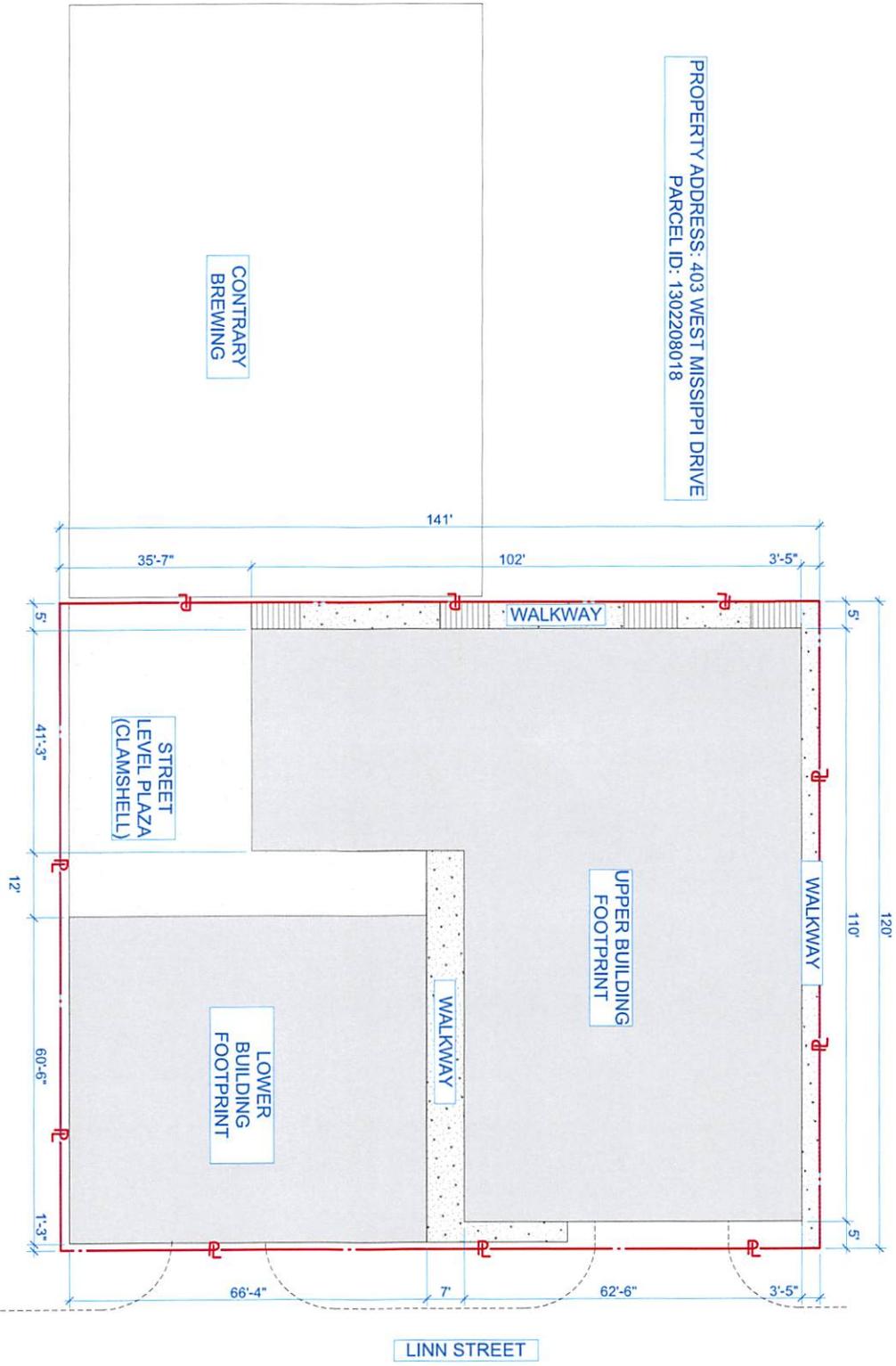
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VARIANCE SITE PLAN

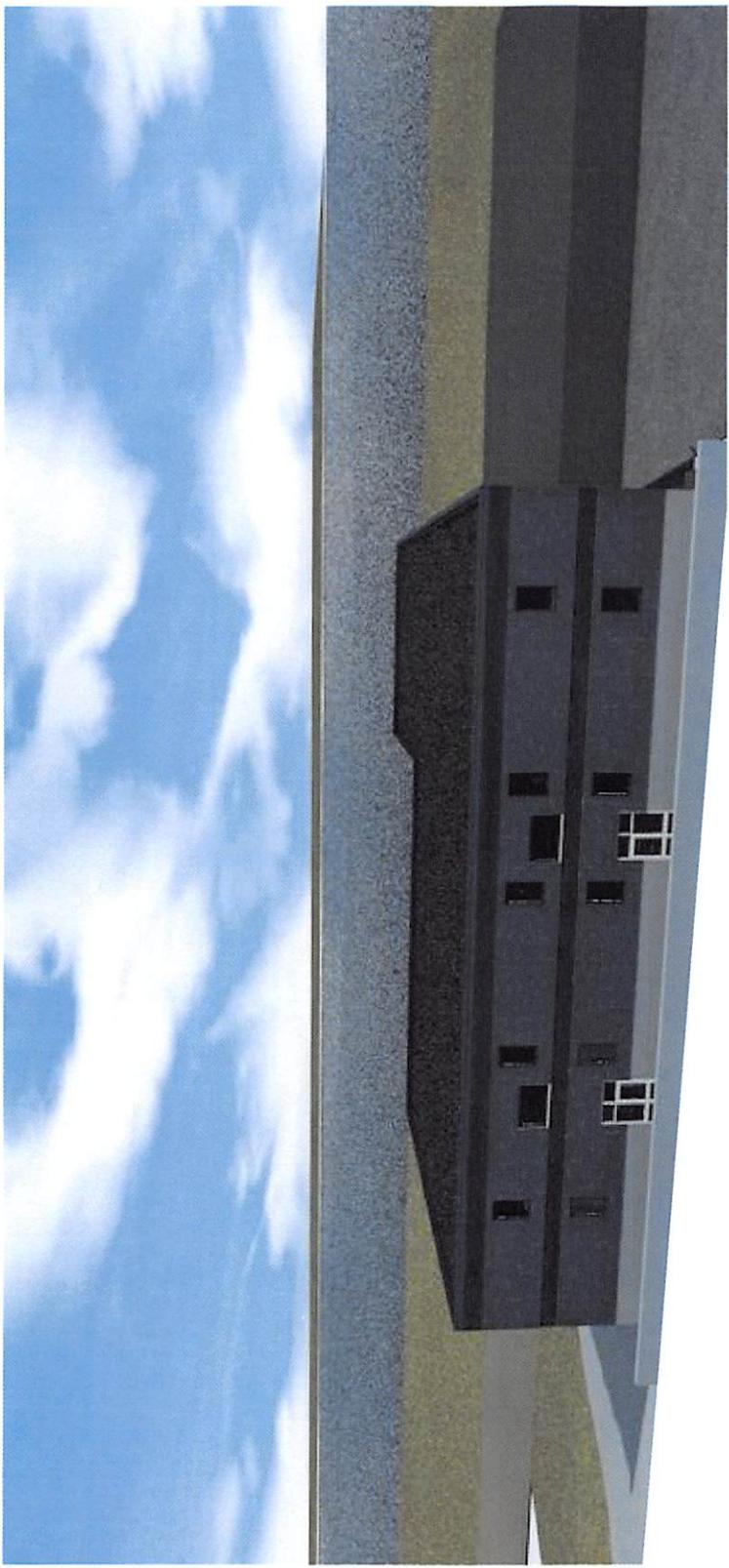
SCALE: 1" = 20'

WEST MISSISSIPPI DRIVE

PROPERTY ADDRESS: 403 WEST MISSISSIPPI DRIVE
PARCEL ID: 1302208018

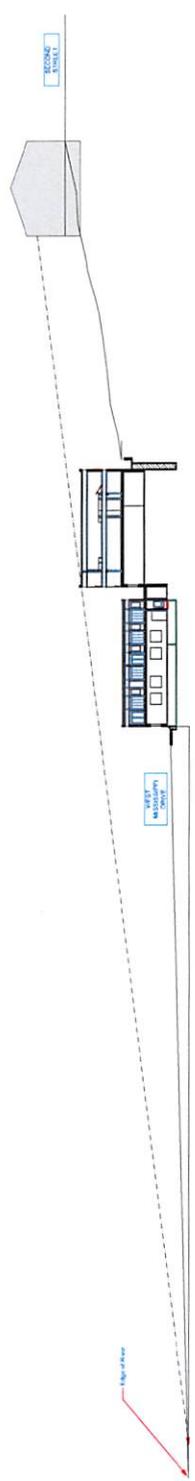


SK-2	VARIANCE REQUEST PLANS	SHEET TITLE	DATE: 5/6/2020	<p>NEW APARTMENT PROJECT FOR MUSCATINE DOWNTOWN INVESTORS, LLC</p> <p>403 WEST MISSISSIPPI DRIVE MUSCATINE, IA 52761</p>	 <p>horizon. original. architecture.</p> <p>michael@horizon-architecture.com (563) 506-4965</p>
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2 Linn Street Apartments - View from 2nd Street

NOT TO SCALE



1 SITE SECTION

SCALE: 1/64" = 1'-0"