Background

History: University Town

Iowa City was established in 1839 and became the territorial capital of Iowa in 1841, continuing as the state capital from 1846 until 1857. The original town plat, located on the east bank of the Iowa River, extended as far east as Governor Street and was bounded to the north and south by what are now Brown and Burlington Streets. The University of Iowa was founded in 1847 and, when the state capital of Iowa relocated to Des Moines, the capitol building became home to the University. Old Capitol, which now serves as a museum, remains a focal point for the community, marking where the city and campus meet. Its dome serves as a recognizable icon for both the City and University, whose history and development are inextricably linked to each other.

With immediate adjacency to the University of Iowa Pentacrest, Iowa City's Downtown has long been a locus of activity for the city and the region. For decades the Downtown flourished as an employment and retail center. During the 1970s and 1980s, Iowa City undertook significant urban renewal in the Downtown. Older commercial buildings and residential structures were cleared to make way for several major development projects, including Old Capitol Mall, the Plaza Centre One office building, the Sheraton Hotel, a new Iowa City Public Library (which was extensively renovated and expanded again in 2004), two new parking structures, and the Dubuque/College Street Pedestrian Mall.

While the opening of the Coral Ridge Mall in 1998 drew away several national retailers—most notably J.C. Penney from the Old Capitol Mall—Downtown Iowa City remains a bustling, walkable urban center. An eclectic mix of small businesses, shops, restaurants, and hotels along with the Iowa City Public Library, live music and theatre venues, and art galleries give the Downtown a distinct identity and 24/7 activity.

Following the flood of 2008, which severely damaged portions of the University's arts campus on the west side of the river, the University turned its focus to the Downtown to temporarily house a number of programs, including the music department. Plans to permanently relocate the music school and recital hall to the corner of Burlington and Clinton Streets will enhance Downtown Iowa City's reputation as an arts and culture district and increase community access to University performances in a way that was not possible before. This artistic connection builds on the 2008 designation of Iowa City as a UNESCO City of Literature—the only U.S. City to hold this designation. This prestigious honor has forged a closer relationship between the city and the university and an appreciation of our shared destiny.



Photo © Greg Frieden, courtesy Iowa City Jazz Festival.

The Old Capitol building remains a focal point for the University of Iowa and the Iowa City community and symbolizes their shared history.

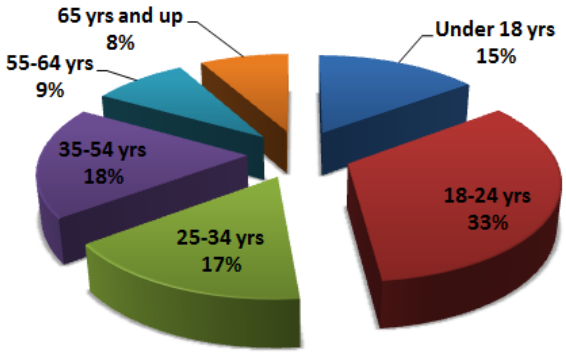


Photo courtesy of the University of Iowa.

College age residents and young adults comprise nearly half of Iowa City's population, with those between the ages of 18 and 24 accounting for 32.5% of the total population. From 2000 to 2012 this segment of the population grew by 10%.

Percentage of Population in Selected Age Groups

Based on the 2010 U.S. Census



The flood recovery effort has drawn the city and University closer together, especially in planning for growth and expansion. The University is in the process of constructing its first new dormitory in more than forty years and has played an active role in advocating for safe off-campus housing and entertainment options for students, as well as stabilization and re-investment efforts in the near-campus neighborhoods. The UniverCity Neighborhood Partnership, a joint effort of the City and University, rehabilitates homes near campus to provide quality, affordable housing close to campus and Downtown. The University is an active participant in the City's planning efforts for the Riverfront Crossings and Downtown areas, encouraging opportunities for employees and others, including retirees, to live closer to the University and Downtown.

Population

While many communities in Iowa and the rural Midwest are losing population, Iowa City continues to grow. According to the 2010 Census, Iowa City had a population of 67,862—a 9.1% increase over the 2000 Census. The Iowa City Metropolitan Statistical Area, which includes Johnson and Washington Counties, was second only to Des Moines in population increase among Iowa metros.[1] Such growth is not a new trend: Iowa City's population has increased during every decade for the past century. Even during the Farm Crisis from 1980-1990, when the state as a whole experienced a decline in population, Iowa City grew by 18%. A linear projection model estimates that by 2030 the population of Iowa City will be approximately 84,000.

Higher education (the University of Iowa and Kirkwood Community College), exerts a major influence on the demography of Iowa City. The student population of just under 31,000 (21,565 undergraduates) makes Iowa City's median age (25.4 years) young, especially for Iowa. Iowa City is also one of the most educated communities in the country: 95.7% of residents age 25-years and older have a high-school diploma; 59.9% of residents 25-years and older have a bachelor's degree or higher.

College age residents and young adults comprise nearly half of Iowa City's population, with those between the ages of 18 and 24 accounting for 32.5% of the total population. From 2000 to 2012 this segment of the population grew by 10% (from 20,438 persons to 22,708 persons). Meanwhile, the number of young adult residents aged 25-34 increased by 9.4% (from 10,218 to 11,183 persons), accounting for 12% of Iowa City's total population.[2]

1. "Iowa Population over 100 Years," by David J. Peters, Iowa State Extension, February 2011.
2. "American FactFinder," U.S. Census Bureau

Senior citizens and those approaching retirement age are by far the fastest growing age groups due to the aging Baby Boom generation and Iowa City's allure as a regional retirement destination. Census data from 2000 to 2010 shows an 81% increase in the number of residents age 55 to 64, and a 26.5% increase in residents age 65 and over.

According to the 2010 Census, Iowa City experienced a decline in residents between the ages of 35 and 54 years of age—an age cohort that we might think of as the "family" years. The number of residents age 35 to 44 shows a decline of 13.5%, while the number of residents age 45 to 54 dropped by 6.9%. The only other group to experience a decline was the number of children 10-14 years of age, which dropped by 8%.

The 2010 Census shows that a full third of Iowa City households (9,488) consisted of single persons. Another 23% of households (6,426) are classified as non-family—that is people living together who are unrelated by birth or marriage. In Iowa City the average household size is 2.22 persons, just below the state (2.41) and national (2.58) averages. More than half of all households in Iowa City are renters.

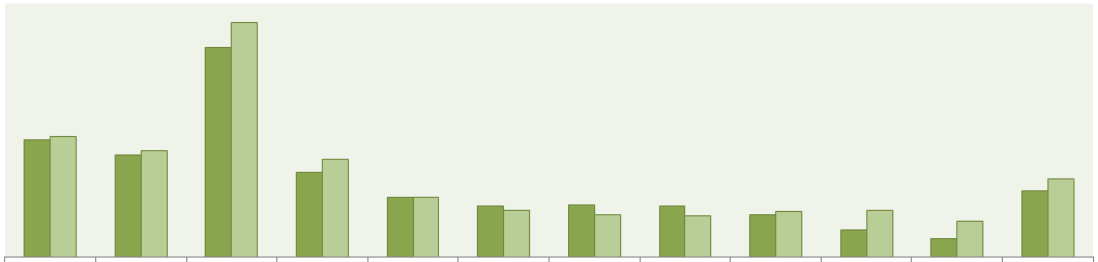
The growth in the number of young adults and seniors, along with the changing size and configuration of households, has important implications for future development. Iowa City is experiencing increasing demand for higher-density housing located in walkable neighborhoods, especially those close to downtown and campus, and for more housing options to accommodate seniors and empty-nesters. Meanwhile, stable neighborhoods with affordable housing and quality schools are essential to ensuring that Iowa City remains an attractive place for families with children.



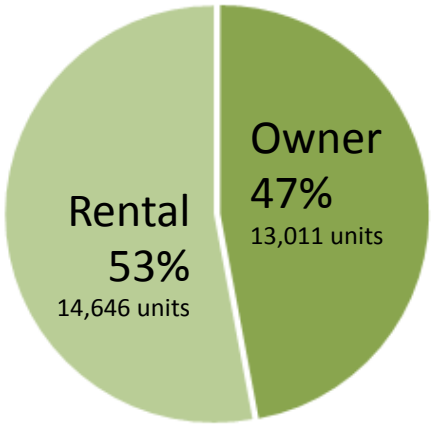
Photo courtesy of the University of Iowa.

Senior Citizens and those approaching retirement age are the fastest growing age groups due to the aging Baby Boom generation and Iowa City's allure as a retirement destination.

Population change by age group: 2000 and 2010



	Under 15	15-19 yrs	20-24 yrs	25-29 yrs	30-34 yrs	35-39 yrs	40-44 yrs	45-49 yrs	50-54 yrs	55-59 yrs	60-64 yrs	65 and up
2000	8,360	7,259	14,872	6,005	4,213	3,601	3,669	3,653	2,966	1,917	1,330	4,675
2010	8,569	7,538	16,711	6,958	4,225	3,280	3,007	2,931	3,230	3,315	2,563	5,535



Occupied Housing

According to the 2010 Census, more than half of all occupied housing units in Iowa City are rentals. *

According to the 2010 Census there were 29,270 housing units in Iowa City. Of those, 27,657 were occupied.

The homeowner vacancy rate was 2.8%. This is comparable to the vacancy rate in the state of Iowa (2.0%) and in the U.S. (2.4%)

The rental vacancy rate was 4.1%. This is low when compared to the vacancy rate in the state of Iowa (8.5%) and in the U.S. (9.2%).

*Housing unit refers to dwelling for an individual household, i.e. a house, or an apartment within a larger building.

Housing

While unique forces contribute to a more resilient housing market than in most parts of the country, Iowa City was not immune to the recent national economic downturn. Likewise, new demographic trends, uncertainty in the financial sector, and concerns over the price of energy influence the demand for housing, as well as the type or style of housing being sought.

According to the 2010 Census, rental housing accounted for 53% of all occupied housing in Iowa City. Residents age 15-34 made up 73.1% of all renters, and one- or two-person households accounted for 72.6% of all rentals.[3] Small households are also typical for owner-occupied housing, with 65.5% consisting of one- or two- person households.

Median home value and median gross rent in Iowa City were the highest of any of the five most populous cities in the state.[4] Median home value in 2010 was estimated at $188,000. Median gross rent was estimated at $856. Housing prices outpaced income growth from 2000 to 2007. Meanwhile real median household income for Iowa City, which peaked in 2008 at $54,466, dropped 11% by 2011.[5]

A growing percentage of Iowa City's population consists of students, young adults, retirees, and seniors. Housing trends for these populations point toward greater demand for homes, townhouses, condominiums, and apartments located in walkable urban neighborhoods such as those that exist and that are being contemplated in and around the Downtown, University Campus, and in other areas close to employment and recreation. Strong interest in the UniverCity Neighborhood Partnership Program; a significant increase in the pace of development of new homes in the Peninsula Neighborhood (despite the economic recession); continued reinvestment in and sales of homes, condominiums, and townhouses within walking distance of Downtown and the University campus; and continued construction of Downtown high-rise condominiums suggest there is increasing demand for higher-density, urban housing for people other than college students.

An overall growth strategy should take into account the trend toward infill development in areas such as the Riverfront Crossings and continued reinvestment in the city's existing housing stock to make these areas more affordable and attractive for families. Development of new neighborhoods should be designed as compact and walkable neighborhoods with a variety of housing types with access to public transit and within walking and biking distance to neighborhood schools and commercial services.

3. 2010 U.S. Census
4. 2010 American Community Survey (1-year estimates)
5. Department of Numbers website

Economy

According to Bureau of Labor Statistics July 2012 data, the Iowa City Metropolitan Area had the fifth lowest unemployment rate of any metro in the nation (4.2%). This is down from a high of 5.0% in 2009 at the peak of the national economic recession. Likewise, the state of Iowa has fared comparably well through the recession with an unemployment rate much lower than the national average.

The dominance of education, healthcare, and government sector jobs, which account for 45% of all jobs, has insulated the Iowa City economy from the significant negative economic impacts related to the national recession. The University of Iowa with its hospital and clinics is the City's largest employer with over 27,000 employees.[5] A number of major employers are also part of the education and healthcare industry: the Veterans Administration, Mercy Hospital and Clinics, American College Testing and NCS Pearson.

Occupational diversity is important to the economic health of the community. The City has taken steps to direct employment growth by identifying and zoning land to accommodate industrial, commercial, and office research uses in locations with appropriate transportation access and in proximity to compatible uses. The City has expanded the industrial area on the southeast side of Iowa City, in an area that provides the flat topography and ready access to rail and highways that industrial uses require. For firms that require close access to Interstate 80, lots will soon be available in the recently platted Moss Ridge Campus, an approximately 172-acre office park located at the Highway 1 (North Dodge Street) interchange with Interstate 80. The growing employment center that surrounds this interstate interchange is already home to a number of the City's major employers, including numerous medical and professional firms located in Northgate Corporate Park as well as ACT and NCS Pearson—education-based research and service firms that employ thousands of people.

One of the principal goals of the Comprehensive Plan is to foster an environment in the Downtown area that is attractive to new employers, especially professional, knowledge-based, and entrepreneurial firms and small businesses, cottage industries, artists and artisans that thrive on and expect urban amenities. One means of accomplishing this goal is to encourage the construction of Class A office space in new mixed-use buildings and the rehabilitation and re-use of under-utilized space within the existing historic mainstreet buildings. The combination of Class A office facilities, new Downtown living options, and proximity to educational facilities, diverse shopping, restaurants, and arts and performance venues will attract companies that seek creative work environments for their employees.



Education and healthcare are the two largest employment sectors in Iowa City. The University of Iowa and its hospitals and clinics is the largest employer with more than 27,000 employees.

[5] University of Iowa Employment Profile, September 2012.



A concept for infill development in the West Riverfront Crossings District at the Intersection of Benton Street and Riverside Drive takes advantage of river views and the adjacent trail system.



A concept for streetscape improvements in Towncrest will provide an attractive pedestrian friendly entryway into this area that is proposed for mixed use development with an emphasis on office and medical uses in close proximity to schools, shopping, and public transit.

Thriving retail areas are essential for sustaining residential neighborhoods and employment centers. Businesses offering a variety of retail goods and services are concentrated in Downtown Iowa City, including the Northside Marketplace, and in designated commercial centers—Towncrest, Sycamore Mall, Walden Square on Mormon Trek Boulevard, and Old Towne Village at Scott Boulevard and Rochester Avenue—and along major commuter corridors, including Highways 1 and 6 and older commercial streets like Riverside Drive, 1st Avenue, and South Gilbert Street.

Urban infill areas, including Towncrest and Riverfront Crossings, have been targeted for redevelopment to create additional options for people to live close to employment and education centers, shopping, and healthcare. Transforming floodprone areas along the riverfront from quasi-industrial uses into a regional park in close proximity to the metro region's largest employment center, will create an ideal opportunity for redevelopment on both sides of the Iowa River. The City anticipates an increase in demand for higher density housing in the Riverfront Crossings District. As the residential population increases, local demand for neighborhood-serving retail shops, restaurants, and personal services will increase in Downtown and along Riverside Drive and South Gilbert Street. This increase in local market demand will help create a market incentive to transform the auto-oriented commercial strips along Riverside Drive and South Gilbert Street into walkable, urban streets. Ideally located as the primary street connection between Downtown Iowa City and the new riverfront park, Clinton Street may also see increased demand for urban commercial development. City investment in parks, riverfront recreational facilities, and pedestrian-oriented street infrastructure along with University investment in new music and arts facilities will create a catalyst for private development and increased economic activity in the Downtown area.

Since the economic recession, private lending has tightened and the City is receiving more requests to provide public financing for development projects. A slow economic recovery and tight financial markets will continue to prove a challenge for economic development efforts. In an effort to be fiscally responsible and sustainable, the City has instituted a more formalized evaluation of economic development projects to ensure that projects receiving public assistance are furthering the City's economic policy goals and have provided evidence that public assistance appropriate to ensure the project's success. To that end, the City has instituted a "gap analysis" requirement for most public assistance of private development. Through gap analysis, the City ensures public money is provided only where private financing falls short. This "last money in" policy helps to assess whether taxpayer dollars are spent responsibly.

The City seeks to grow its commercial tax base through more aggressive marketing and outreach to new employers and businesses. The City's incentive programs encourage the growth of higher paying jobs

through policies that favor companies paying salaries above the median County wage (according to the U.S. Census, median household income in Johnson County from 2007-2011 was $53,703). Community Development Block Grant Funds provide loans, forgivable loans, and grants to small businesses and start-ups that expand economic opportunity for low or moderate income persons through the creation and retention of jobs.

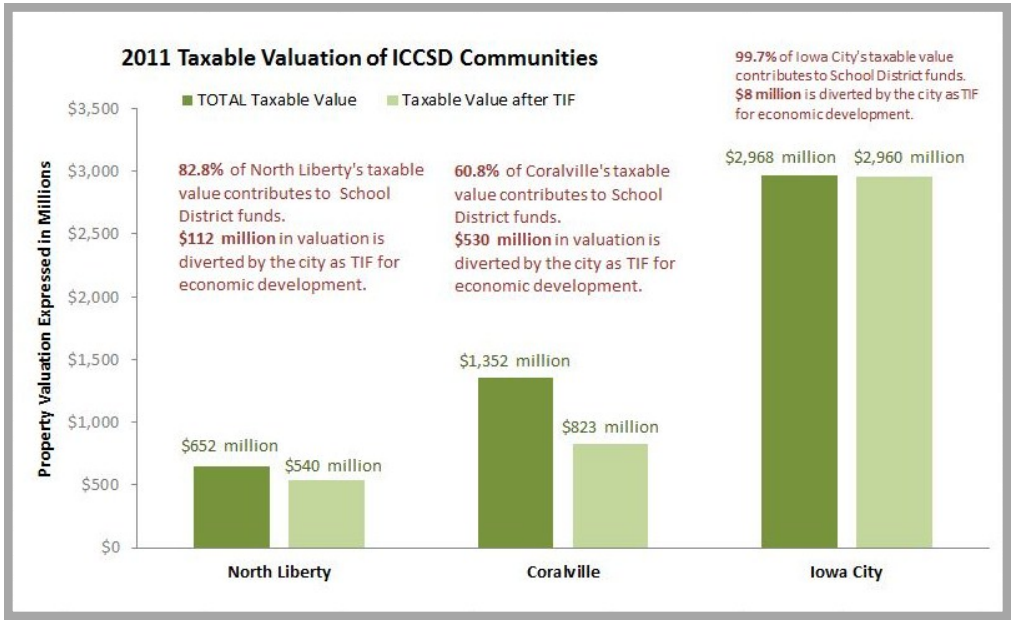
Other challenges remain. Economic competition, rather than collaboration, between neighboring towns in the metro area has become the norm. Over the past 10-15 years, Iowa City has lost retail and commercial establishments to neighboring communities, in part due to the lure of what many have characterized as excessive public assistance through the aggressive use of tax increment financing (TIF). Originally intended to facilitate the rehabilitation of blighted areas, TIF laws in Iowa were expanded in the 1980s to apply more broadly to spur economic development, the intention being to attract new employers from outside Iowa or assist start-up or expanding businesses. Unfortunately, TIF has increasingly been used to shift or attract existing businesses from one city to another within the same metropolitan area. The resulting migration of existing businesses within the Iowa City metro has negatively affected tax revenue not only for Iowa City but for the local school district and the County.



The use of TIF dollars to entice Von Maur to relocate from Iowa City to Coralville has prompted a re-examination of the real costs and benefits of economic development in the metro area.

This interference in the free market has shifted and concentrated retail services at the edge of the metro area and away from the more densely populated residential neighborhoods, adding to urban sprawl. Subsidizing the movement of retail businesses from one jurisdiction to another has provided little benefit to residents in the metro area as a whole when compared to the costs incurred in public debt. Unfortunately, the public costs associated with excessive use of TIF have been largely hidden and are not well understood, but are likely to fall heavily on future generations.

In addition, potential changes in state property tax laws, including commercial property tax rollbacks and condo/co-oping of commercial apartments, have the potential to severely impact City tax revenue. These issues present serious challenges that can only be addressed through frank public discussion, education, and increased cooperation and collaboration between the various local and state government entities.





McCollister Bridge, completed in 2009, is the first new roadway to be constructed over the Iowa River since the early 1960s. The bridge is part of McCollister Boulevard, an east-west arterial that will provide relief for Highway 6 to the north, connecting South Gilbert Street west to Mormon Trek Boulevard. Eventually the road will be extended east to Scott Boulevard, opening up residential development throughout south Iowa City.

Growth and Infrastructure

Iowa City's growth policy is an integral part of the Comprehensive Plan in the following ways:

- It defines a long-range planning boundary for Iowa City;
- It establishes when annexations should occur; and
- It establishes where the investment of public funds for infrastructure and improvements should occur (namely roads, water, and sewer).

The Growth Boundary defines the city's potential corporate limits—land that, for the purposes of long-range planning, is projected to serve the city's growth need for 30-40 years. Sanitary sewer and streets are the most expensive items of public infrastructure that must be provided to all new development within the City.

Land included in the growth area must have the potential to be connected to the sewer system, which is based on watershed boundaries. Guiding new developments to watersheds that can be served by gravity flow to the City's sewage treatment plant facility enables the most cost effective provision of this essential City service. The growth boundary is used when making decisions regarding the extension of infrastructure, the approval of subdivisions, the approval of agreements with other governmental jurisdictions regarding growth, and in response to annexation requests. In addition, the City coordinates with private utilities to ensure that areas proposed for development can be fully served.

A Public Works land inventory completed in 2008 indicates that Iowa City had more than 1,496 acres of vacant residential land within city limits, mostly in the South and Northeast District. The designated growth area contains an additional 3,095 acres of vacant residential land. Assuming that future residential development occurs at densities similar to recent development patterns, Iowa City could reach build out capacity in 2034. However, if residential development were to maximize current zoning capacity, Iowa City would not reach build out capacity until 2055. Neither of these assumptions accounts for the potential of infill development in areas like Riverfront Crossings and Towncrest. Infill development at higher densities would absorb some housing demand, thus conserving farmland and maximizing the use of infrastructure.

Prioritization of Investment in Infrastructure

When the City prioritizes public investment in infrastructure and public amenities, improvements that serve properties within the corporate limits of Iowa City that further the City's policy of compact and contiguous growth, including urban infill development, should be given priority. This policy will guide decision-making for the City's Capital Improvement Program (CIP). The CIP is one of the most effective tools the City has to affect the timing and direction of growth, quality of life, the growth of basic industry, and the cost of housing. Historically the City invested in infrastructure to accommodate moderate growth rather than building infrastructure prior to development. In the future, City Council will use the CIP to effectively guide the location and timing of growth in the community through an annual review and prioritization of the CIP prior to the budget process.

While continued development of new neighborhoods and employment areas are anticipated in the City's growth area, a significant policy focus for the City is to accommodate growth to the extent possible by facilitating higher density urban infill development, such as in the Riverfront Crossings District, and through stabilization and revitalization efforts in existing neighborhoods and commercial areas, such as Downtown, Towncrest, and Sycamore Mall.



A community cannot grow without major investments in infrastructure, including water purification and waste water treatment. In 2011, Iowa City's water treatment facility provided an average of 5.54 million gallons of water per day to customers.

Annexation Policy

Growth and development outside the corporate boundaries, within the long-range planning area and beyond, is influenced by the City through annexation and the Iowa City/Johnson County Fringe Area Agreement. Annexations occur primarily in response to petitions filed by the owners of property requesting to be annexed. Voluntary annexation is generally viewed positively when the following conditions exist:

1. The area under consideration falls with the long-range planning boundary;
2. Development in the area proposed for annexation will fulfill an identified need without imposing an undue financial burden on the City; or
3. Control of development is in the City's best interest.

Annexations will typically be achieved through voluntary means. Involuntary annexations, which are initiated by the City against a property owner's wishes, are considered only in extraordinary circumstances. As part of any proposed annexation or development, the City must evaluate the capacity of existing infrastructure, including streets, water, and sewer.



An aerial view of the eastern edge of Iowa City.

An important goal of Iowa City's Comprehensive Plan is to manage urban growth by encouraging compact and contiguous development. Contiguous development is more efficient since building on land that is adjacent to existing development and connecting into existing road and utility networks is cost and resource efficient and ensures that neighborhoods are not isolated. This saves money for developers, property owners, and taxpayers.

Fringe Area Agreement

State enabling legislation permits a city to regulate the subdivision of land within two miles of the City's corporate boundaries. This area is known as the urban fringe area. Counties that enact ordinances control the land uses permitted in this same area through zoning.

In the interest of managing growth and development in Iowa City's two-mile fringe area in a mutually acceptable manner, Johnson County and Iowa City have agreed on the appropriate land uses and standards for development. As Johnson County considers rezoning applications and Iowa City reviews subdivisions, their decisions will be governed by the Iowa City/Johnson County Fringe Area Policy Agreement.

The Agreement focuses exurban development in the area north of Iowa City, encourages development in Iowa City's growth area only upon annexation, and provides some incentive for the preservation of open space and environmentally sensitive features. The agreement has been working well to achieve the goals of both the City and County. Although it will be reviewed periodically for updates, the implementation of the Fringe Area Agreement will likely continue without significant changes. [See Fringe Area Map in the appendix to this document.]

Growth and the Environment

Iowa City's vision for the future includes environmental protection as a basic tenet. This includes strong community support for the Sensitive Areas Ordinance (SAO). Growth and development should be managed such that the environmental quality of the community is not sacrificed. Measures should be taken in all private and public projects to ensure that any impacts on regulated environmental features are minimized.

The City's Sensitive Areas Inventory identifies the general location of woodlands, wetlands, regulated slopes, hydric soils, prairie remnants, stream corridors, and archaeological sites (See the appendix). Based on the information provided in the inventory, an ordinance was adopted in 1995 to provide protections for the identified environmentally sensitive areas. The ordinance requires consideration of environmental features during the development process and encourages construction that respects and protects natural areas. As the City continues to grow and redevelop, natural areas that contribute to the health and character of the city will be protected. The City should encourage subdivisions that not only preserve environmental areas but that incorporate them as assets in the overall development as private or public open space.