



Council Study Meeting
October 8, 2012
6:00 p.m.
City Council Chambers

Agenda

1. Presentation by Greg Edwards of the Greater Des Moines Convention & Visitors Bureau
2. Further discussion of the tax abatement program
3. Discuss Memorial Pool/Aquatic Center expenses/revenues
4. Review Street, Sanitary Sewer and Storm Sewer Capital Budgets for FY's 13/14 - 17/18
5. Other items

Information

Subject

Presentation by Greg Edwards of the Greater Des Moines Convention & Visitors Bureau

Information

Meeting Date: 10/08/2012

Information
Subject

Further discussion of the tax abatement program

Information

Council has set October 15, 2012 as a public hearing to extend the tax abatement program until January 31, 2018. The city-wide residential/commercial tax abatement program ends January 31, 2013. In your packet is the current city-wide urban revitalization plan.

History of the tax abatement program includes:

March 1, 1989	Original effective date for the city-wide tax abatement in Indianola - 5 year abatement 75%, 60%, 45%, 30% and 15%
1990-1993	Council renewed the city-wide tax abatement program
1994	Council renewed the tax abatement program but limited the tax abatement to the first \$150,000 of value for a single family dwelling and to the first \$100,000 per unit for dwellings with more than one unit
1997	Council renewed the central building district and highway corridors as a urban revitalization area. The residential area was not renewed (only four SFD permits were issued)
1998	Council re-designated the entire area within the corporate boundaries as a urban revitalization area to the first \$150,000 of value for a single family dwelling and to the first \$100,000 per unit for dwellings with more than one unit. This also included a one-time abatement application for residential property - 4 year tax abatement 80%, 60%, 40% and 20%
2002	Council extended the abatement until January 31, 2008, eliminated the \$100,000/unit on multi-family cap, and removed the one-time limit on SFD
2004	A change in the schedule according to Iowa Code 404.3A for residential development was approved which limited the exempted amount to \$75,000
2008	Council amended the urban revitalization plan by extending it to January 31, 2013. Also in order to qualify for tax exemption, improvements to residential and commercial real estate located with the District must increase the actual value of the property, other than land, by at least 10% instead of 15%.
2010	Council amended the plan by creating a Standard Residential Property three-year tax abatement and a Sustainable Residential Property five year tax abatement

We have issued 1,112 single family dwellings in an amount of \$159,678,536 and 134 duplexes in an amount of \$26,802,985 since 1989.

In your packet is a table showing metro cities and their tax abatement programs. Staff believes Indianola's tax abatement program is competitive with other metro communities based on the city's funding capabilities. Obviously the commercial programs of some other cities (i.e. Ankeny) are much more lucrative based on the amount of commercial tax base they have. They have the ability to provide much more financially because they indeed have a wider tax base.

Attachments

UR Plan

Ankeny Tax Abatement

Des Moines Tax Abatement

Survey

1998
CITYWIDE
URBAN
REVITALIZATION
PLAN

As amended on:

November 4, 2002

July 1, 2004

January 7, 2008

December 7, 2009

INDIANOLA, IOWA

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INTRODUCTION

In 1979, the Iowa legislature enacted into law the Urban Revitalization Act giving city governing bodies the authority to designate an area or areas of a city as Urban Revitalization Areas. Under the Act, qualified real estate within the designated area may be eligible to receive a total or partial exemption from property taxes on improvements for a specified number of years. The primary intent of this bill is to provide communities with a long-term increase or stabilization in their tax base by encouraging rehabilitation or new construction which might not otherwise have occurred.

Section 404.1 of the Code of Iowa provides that the City Council may designate an area of the city as a revitalization area if that area is any of the following:

1. An area in which there is a predominance of buildings or improvements, whether residential or nonresidential, which by reason of dilapidation, deterioration, obsolescence, inadequate provision for ventilation, light, air, sanitation, open spaces, high density of population and overcrowding, the existence of conditions which endanger life or property by fire and other causes or a combination of such factors, is conducive to ill health, transmission of disease, infant mortality, juvenile delinquency or crime, and which is detrimental to the public health, safety, or welfare.
2. An area which by reason of the presence of substantial number of deteriorated or deteriorating structures, predominance of defective or inadequate street layout, incompatible land use relationships, faulty lot layout in relation to size, adequacy, accessibility or usefulness, unsanitary or unsafe conditions, deterioration of site or other improvements, diversity of ownership, tax or special assessment delinquency exceeding the actual value of land, defective or unusual conditions of title, or the existence of conditions which endanger life or property by fire and other causes, or a combination of such factors, substantially impairs or arrests the sound growth of a municipality, retards the provision of housing accommodations or constitutes an economic or social liability and is a menace to the public health, safety, or welfare in its present condition and use.
3. An area in which there is a predominance of buildings or improvements which by reason of age, history, architecture, or significance should be preserved or restored to productive use.
4. An area which is appropriate as an economic development area as defined in section 403.17.
5. An area designated as appropriate for public improvements related to housing and residential development or construction of housing and residential development, including single or multifamily housing.

The City of Indianola Urban Revitalization Plan (Plan) is prepared to enable local property owners and the city to take advantage of the legislation signed by the Governor of Iowa on May 10, 1979, with its subsequent amendments. The act provides the City of Indianola the opportunity to influence its growth by stimulating investment from the private sector. After the tax exemption

schedule is completed, the individual property will be fully taxed, thus completing the philosophy that tax incentives are used to encourage individuals to improve their property with the long term city goal of increasing the tax base. Certain criteria have been established which must be met by a city exercising the authority conferred in the Act. Accordingly, the Indianola City Council adopted a Resolution on February 2, 1998, finding a need for the establishment of an urban revitalization district.

PROJECT INFORMATION

A. Geographic Description of Urban Revitalization District:

The entire area within the corporate boundaries of the City of Indianola, Warren County, Iowa, shall be the Urban Revitalization District (District), and shall expand with annexation. Appendix A is a map of the current corporate boundaries of the City of Indianola.

B. Existing Valuations According to County Assessor:

Valuations of each parcel within the District, and the total assessed value of the properties in the District are contained in Appendix B: List of Known Owners and Assessed Values.

C. Property Owners:

The names and addresses of the property owners for each parcel identified within the District are contained in Appendix B.

D. City Services:

The City of Indianola currently provides police, fire, sanitary sewer, municipal water, solid waste, and other normal services to all developed parcels and residences within the District.

E. Zoning and Land Use:

Appendix C contains a map of the existing land use and zoning for the District.

F. Applicable Revitalization:

The purpose of this Urban Revitalization Plan is to stimulate the development of more residential and commercial buildings, improvements and uses. Therefore, the revitalization is applicable to residential and commercial property and uses within the District. The revitalization is for new construction and for rehabilitation or additions to existing buildings. The entire area within the corporate limits will remain a designated revitalization area until January 31, 2013.

G. Relocation:

In the event relocation occurs as a result of the tax abatement program, the following provisions must be met:

1. Benefits: Upon application for and verification of eligibility for tax abatement to a property owner by the City, qualified tenants in designated areas, whose displacement is due to action on the part of a property owner to qualify for the tax abatement under this Plan, shall be compensated by the property owner for one month's rent and for actual reasonable moving and related expenses.
2. Eligibility: "Qualified Tenant" as used in this Plan, shall mean the legal occupant of a residential dwelling unit which is located within the District and who has occupied the same dwelling unit continuously since one year prior to the City's adoption of this Plan.
3. Least costly approach: The amount of compensation for an eligible expense shall not exceed the least costly method of accomplishing the objective of the compensation without causing undue hardship to the displaced tenant and/or landlord.

H. Tax Exemption Schedules

1. Residential Property – Standard Residential Property – Three Year Schedule

Each residential property owner may implement this plan upon application and approval by the Indianola City Council as follows:

All qualified residential real estate is eligible to receive a partial exemption from taxation on the actual value added by the improvements for a period of 3 years.

Notwithstanding the schedules provided for in Iowa Code Section 404.3, all qualified real estate assessed as residential property in an area designated under Iowa Code Section 404.1, subsection 5, is eligible to receive an exemption from taxation on the first seventy-five thousand dollars of actual value added by the improvements. The exemption under this plan is for a period of three years.

In order to qualify for tax exemption, improvements to residential real estate located within the District must increase the actual value of the property, other than land, by at least 10%. Qualified residential real estate also means land upon which no structure existed at the start of the new construction, which is located in the designated revitalization area and upon which new construction has been added during the time so designated. "Improvements" include rehabilitation and additions

to the existing structures as well as new construction on vacant land or on land with existing structures.

2. Residential Property - Sustainability Residential Property – Five Year Schedule

Each residential property owner may implement this plan upon application and approval by the Indianola City Council as follows:

All qualified residential real estate is eligible to receive a partial exemption from taxation on the actual value added by the improvements for a period of 5 years.

Notwithstanding the schedules provided for in Iowa Code Section 404.3, all qualified real estate assessed as residential property in an area designated under Iowa Code Section 404.1, subsection 5, is eligible to receive an exemption from taxation on the first seventy-five thousand dollars of actual value added by the improvements. The exemption under this plan is for a period of five years.

In order to qualify for tax exemption, improvements to residential real estate located within the District must increase the actual value of the property, other than land, by at least 10%. Qualified residential real estate also means land upon which no structure existed at the start of the new construction, which is located in the designated revitalization area and upon which new construction has been added during the time so designated. "Improvements" include rehabilitation and additions to the existing structures as well as new construction on vacant land or on land with existing structures.

Sustainable residential property tax abatement must qualify as follows: Prior to awarding the five-year tax abatement incentive, the owner, builder or developer must complete and submit a sustainable residential property tax abatement application to the Department of Community Development. The Director of Community Development, or a designee, shall approve each application after inspection for compliance. The standard for a sustainable residential home is one that has, at a minimum, the total sustainable effect of A-G below. The minimum standards described in A-G below are guidelines and not rigid requirements. It is inevitable that new products, technologies and applications will come into the housing industry that might render items A-G below to be obsolete or incompatible with each other. The Director shall grant approval of applications that fulfill the cumulative effect of A-G, even though exact compliance is not attained with each item described in A-G.

- A. Insulation – Sidewalls shall have a minimum insulation rating of R-15 in all sidewalls including exterior basement walls. Attic spaces shall have a minimum rating of R-44.

- B. Roofing – A minimum of a 40-year shingle rating containing 25% recycled material.
- C. Windows – All enhanced exterior windows shall have a minimum U factor of .31 or less or Low E glass.
- D. H.V.A.C. – Heating systems must have a minimum of a 90% efficiency rating and a programmable Energy Star thermostat. Energy Star air conditioner with a minimum SEER rating of 14. Tape and seal all ductwork. Insulate all ductwork in unconditioned spaces.
- E. Appliances – All fixed appliances must have Energy Star rating.
- F. Plumbing Fixtures – Install Energy Star labeled fixtures in all bathrooms and kitchen: faucets 2.0 GPM, showers 2.0 GPM, water closets 1.3 GPF or dual flush. Energy Star rated hot water heater. Insulate all hot water piping with a minimum R-4 insulation.
- G. Plantings – Install a minimum of four trees and six shrubs per 10,000 square feet of lot area up to 30,000 square feet. Consideration shall be given to strategic placement of trees and shrubs for the purpose of reducing wind and sun exposure to the dwelling.

3. Commercial Property

Each commercial property owner may implement this plan upon application and approval by the Indianola City Council as follows:

All qualified commercial real estate is eligible to receive a partial exemption from taxation on the actual value added by the improvements for a period of 4 years. The amount of partial exemption is equal to a percent of the actual value added by the improvements determined as follows:

<u>Year of Schedule</u>	<u>% of New Taxes Abated</u>
1	80%
2	60%
3	40%
4	20%

The exemption under this plan is for a period of four years.

In order to qualify for tax exemption, improvements to commercial real estate

located within the District must increase the actual value of the property, other than land, by at least 10%. Qualified commercial real estate also means land upon which no structure existed at the start of the new construction, which is located in the designated revitalization area and upon which new construction has been added during the time so designated. "Improvements" include rehabilitation and additions to the existing structures as well as new construction on vacant land or on land with existing structures.

I. Outside Funding Assistance:

The City may seek Federal and/or State grant or loan programs and any and all other funding sources in developing proposed projects. Federal programs may be available through the Department of Housing and Urban Development (HUD) and the Farmers Home Administration (FmHA). State programs may be available through the Iowa Housing Finance Authority and the Iowa Department of Economic Development. The City may seek private sector funding sources.

J. Application and Prior Approval:

A person may submit a proposal for an improvement project to the City Council to receive prior approval for eligibility for a tax exemption on the project. The Council shall, by resolution, give its prior approval for an improvement project if the project is in conformance with the plan for revitalization. As soon as a person's improvement project receives prior approval from the City Council, the person's improvement project shall receive tax abatement under this plan regardless of when the improvements have been completed or found to be qualified real estate by the Warren County Assessor, as long as the improvements are completed pursuant to the time limitations of the original building permit issued. The first year that the improvement project's value appears on the tax rolls shall be the first year of the tax exemption schedule found in Paragraph H above. If a person's proposal for an improvement project is not approved, the person may submit an amended proposal for the City Council to approve or reject. An application shall be filed for each new exemption claimed. The first application for an exemption shall be filed by the owner of the property with the City Council by February 1 of the assessment year for which the exemption is first claimed, but not later than the year in which all improvements included in the project are first assessed for taxation. The application shall contain, but not be limited to, the following information:

- * the nature of the improvement,
- * the cost of the improvement,
- * the estimated or actual date of completion,
- * the tenants that occupied the owner's building on the date the City adopted the resolution of finding.

The City Council shall approve the application, subject to review by the local assessor, if the project is in conformance with the plan for revitalization developed by the City, is located within a designated revitalization area, and if the improvements were made during the time the area was so designated. The City Council shall forward for review all approved applications to the appropriate local assessor by March 1 of each year. Applications for exemptions for succeeding years for approved projects shall not be required.

K. Repeal of Ordinance

As stated in Section 404.7 of the Code of Iowa, the governing body of the City of Indianola may repeal the ordinance establishing the revitalization area, when, in the opinion of the governing body, the desired level of revitalization has been attained or economic conditions are such that the continuation of the exemption granted by this chapter would cease to be of benefit to the city. In that event, all existing exemptions shall continue until their expiration.

APPENDIX A
Boundary Map of District

APPENDIX B

List of Known Owners and Assessed Values

Appendix B is a separate bound document, and due to the volume of the document, only one copy will be made and kept by the City Clerk at City Hall.

APPENDIX C

Existing Land Use and Zoning of District

APPENDIX D

RESOLUTION OF FINDING

WHEREAS, the area described below in the City of Indianola is in need of a combination of rehabilitation, conservation and redevelopment to improve the public health, safety and welfare of the residents of Indianola, and

WHEREAS, the area described below in the City of Indianola meets the criteria of Iowa Code Section 404.1 for designation as an urban revitalization area.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF INDIANOLA, IOWA:

1. The Indianola City Council makes a finding that a combination of rehabilitation, conservation, development and redevelopment of the area described below in the City of Indianola is necessary in the interest of the public health, safety and welfare of the residents of Indianola.

2. The Indianola City Council makes a finding that the following area meets the criteria of Iowa Code Section 404.1(3), (4) and (5):

Appendix A of the Urban Revitalization Plan now on file in the City Clerk's Office contains a map of the area within the District which is defined by the corporate boundaries of the City of Indianola.

PASSED AND APPROVED this ____ day of _____, 1998.

Jerry Kelley, Mayor

ATTEST:

Mark A. Ramthun, City Clerk

STATE OF IOWA, WARREN COUNTY, SS:

On this _____ day of _____, 1998, before me, the undersigned, a Notary Public in the State of Iowa personally appeared Jerry Kelley and Mark Ramthun, to me personally known, who being by me duly sworn, did say that they are the Mayor and City Clerk respectively of the City of Indianola, which executed the foregoing instrument to which this is attached, that the seal affixed to it is the seal of the City; that the instrument was signed and sealed on behalf of the City by authority of its Council; and that Jerry Kelley and Mark Ramthun as such officers acknowledged the execution of the instrument to be the voluntary act of the City.

NOTARY PUBLIC IN AND FOR THE STATE OF IOWA

APPENDIX E

NOTICE OF PUBLIC HEARING

YOU ARE HEREBY NOTIFIED that the City Council of the City of Indianola, Iowa, has under consideration an ordinance designating the entire area within the corporate boundaries of the City of Indianola as an urban revitalization area under Iowa Code Chapter 404.

All qualified real estate within the urban revitalization area would be eligible to receive a partial exemption from taxation based on the actual value added by improvements to the real estate.

A proposed plan for the revitalization area is on file in the City Clerk's office in the Indianola Municipal Building. It can be examined during regular office hours.

YOU ARE FURTHER NOTIFIED that this matter has been set down for hearing and consideration at a public hearing on _____, 1998, at 7:00 P.M., in the Council Chambers of the Municipal Building in Indianola, Iowa.

This Notice is published by order of the City Council of the City of Indianola, Iowa.

Mark A. Ramthun, City Clerk

APPENDIX F

ORDINANCE NO. _____

AN ORDINANCE REPEALING ORDINANCE NO. _____
AND DESIGNATING THE ENTIRE AREA WITHIN THE
CORPORATE BOUNDARIES OF THE CITY OF INDIANOLA
AS AN URBAN REVITALIZATION AREA AND ADOPTING
AN URBAN REVITALIZATION PLAN FOR THE AREA.

BE IT ORDAINED BY THE MAYOR AND THE CITY COUNCIL OF THE CITY OF
INDIANOLA, IOWA:

SECTION 1. Ordinance No. _____ and the Urban Revitalization Plan it adopted in it is
hereby repealed.

SECTION 2. The entire area within the corporate boundaries of the City of Indianola, Iowa,
is hereby declared to be an Urban Revitalization Area pursuant to Iowa Code Chapter 404.

SECTION 3. The Urban Revitalization Plan for the City of Indianola, Iowa, on file with
office of the City Clerk is hereby declared to be the Urban Revitalization Plan for the City of
Indianola, Iowa, as designated in Section 2 above.

SECTION 4. Repeal. Any ordinance or parts of ordinances in conflict with this ordinance
are repealed.

SECTION 5. Severability. If any section, provision or part of the Ordinance shall be
adjudged to be invalid or unconstitutional, such adjudication shall not affect the validity of the
Ordinance as a whole or any section, provision or part of it not adjudged invalid or unconstitutional.

SECTION 6. Effective Date. This ordinance shall take effect from and after its passage
and publication as provided by law.

ATTEST:

JERRY KELLEY, Mayor

MARK A. RAMTHUN, City Clerk

The foregoing Ordinance No. _____ was adopted by the Council of the City of Indianola,
Iowa, on _____, 1998, was signed by the Mayor on _____,
1998, and was published in the Record Herald and Indianola Tribune, a newspaper of general
circulation and published in the City of Indianola, Iowa, on _____, 1998.

MARK A. RAMTHUN, City Clerk

City of Ankeny, Iowa

Economic Development Programs

Targeted Industry Incentive Grant

Ankeny has the right infrastructure, people and industry peers to grow companies working in:

- Bioscience
- Advanced Manufacturing
- Logistics
- Information Technology/Business Services

The Targeted Industry Incentive Grant is available to businesses that create new jobs in Ankeny's targeted industries and add value to their property. Eligible jobs must add to a company's Des Moines Metro Area employment base.

Schedule of Maximum Grant per new, qualifying job

ADDED VALUATION		<\$2 million	\$2-5 mill	>\$5 mill
WAGE	130% County Avg	\$750	\$1,000	\$1,250
	150% County Avg	\$1,000	\$1,250	\$1,375
	170% County Avg	\$1,250	\$1,375	\$1,500

Businesses choose to receive a lump sum or multiple payments over time.

How it works:

An insurer chooses Ankeny for its second US location. The company is investing \$5 million in a new facility and paying its workers a wage and benefits that total 155% of the Polk County average wage. The company is creating 150 positions over five years. The business chooses to receive a lump sum grant of \$187,500 (150 positions x \$1,250 grant per job).

Speculative Building Incentive

The Speculative Building Incentive offers developers a ten-year package of tax exemptions and rebates for the construction of industrial buildings in Ankeny. The incentive aims to increase the amount of available space for businesses seeking a location on the I-35 corridor between the downtown Des Moines commerce center and the research power of Iowa State University in Ames.

To qualify for the incentive, these building criteria must be met:

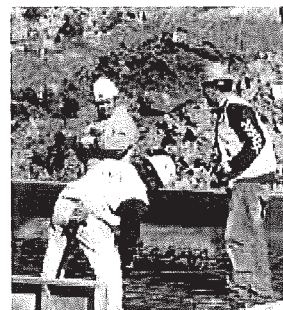
- At least 50,000 square feet and expandable to 100,000 square feet
- Clear height of 24' or higher
- Dock and drive-in doors typical for the type of building constructed
- Eligible for the Industrial Property Tax Exemption

How it works:

A developer purchases a parcel large enough to construct a 60,000 square foot building and expand it to 100,000 square feet. The valuation of the building is reduced in the first five years by applying the sliding-scale property tax exemption. While the building owner will still pay taxes on the building, for ten years the City will rebate to the owner the tax revenue it receives as a result of the new construction.

Tax Increment Financing

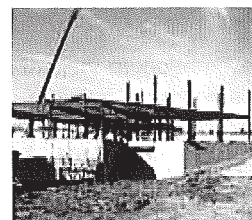
The City uses Tax Increment Financing (TIF) by capturing a portion of the increased tax revenue created by improvements that result in new taxable property valuation. That new revenue is redirected to reduce the cost of infrastructure improvements or as a tax rebate to a business.



How it works:

A major retailer partners with a land developer to locate a new 250,000 square foot refrigerated and frozen food distribution facility in a previously undeveloped area of Ankeny. The facility will require an extension to its water and sewer mains. The business and City reach agreement that new property taxes received by the City for five years will be rebated to the developer in connection with the cost of construction of the facility and public infrastructure to serve the site.

Local Business Investment Policy



The City of Ankeny supports the continued growth and success of the companies that are invested in the community. The Local Business Investment Policy provides up to a ten-year package of industrial property tax exemption, property tax rebates, grants

and loans to companies in the targeted industries of Advanced Manufacturing, Bioscience, Logistics and Business Services/Information Technology that make new investments in facilities and expand employment.

How it works:

An Ankeny bioscience firm with an international market reach is planning to expand its office, warehouse and manufacturing space. The company also has a plan to add 50 positions in the next few years. The economic development department staff works with the business to identify its needs and define a package of financial assistance based on the company's investment and job growth. The City Council approves a development agreement with the company to award the incentives.





Industrial Property Tax Exemption

The Industrial Property Tax Exemption (Tax Abatement) phases in the taxable valuation of a parcel and is offered on a sliding scale at this rate:

- Year 1 - 75% exemption of new valuation
- Year 2 - 60% exemption of new valuation
- Year 3 - 45% exemption of new valuation
- Year 4 - 30% exemption of new valuation
- Year 5 - 15% exemption of new valuation

This program assists qualifying business by reducing the property tax paid on new construction and other taxable improvements to a property. To qualify for exemption, a project must be one of the following:

- Industrial real estate
- Research facility
- Warehouse
- Distribution center

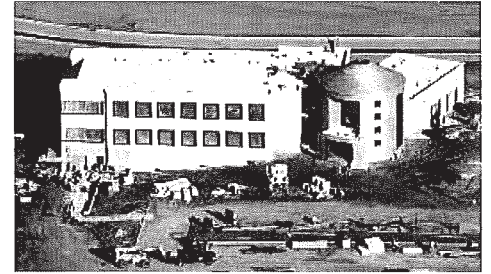
How it works:

An advanced manufacturer purchases a lot in one of Ankeny's business parks for construction of a research and development and final assembly facility. The company constructs a new building that adds \$5 million of new valuation to the parcel. The advanced manufacturer qualifies for exemption. In the first year, the business will pay taxes on the original value of the lot and only 25% of the new valuation. In the second year, the business will pay taxes on the original value of the lot and 40% of the new valuation, and so on for the remaining three years.



Revolving Loan Fund Program

The City of Ankeny's Revolving Loan Fund provides funding for a wide variety of business needs. The program works for a start-up company that requires gap financing or a national company that establishes a new operation and will benefit from a source of below-market interest rate financing.



The Economic Development Department staff works with businesses and their lenders to design a loan that is right for business success. Loans will generally be made up to \$100,000 with terms based on market guidelines for similar loans. Job creation and capital investment are considered in establishing a loan's terms. Loan applications are reviewed by a committee and approved by the City Council.

How it works:

An entrepreneur has developed a business plan to take to market an innovative new product. The entrepreneur's bank will loan 80% of the required funds to begin full-scale operations for the business. The Revolving Loan Fund closes the remaining 20% financing gap with a loan to the promising new business.

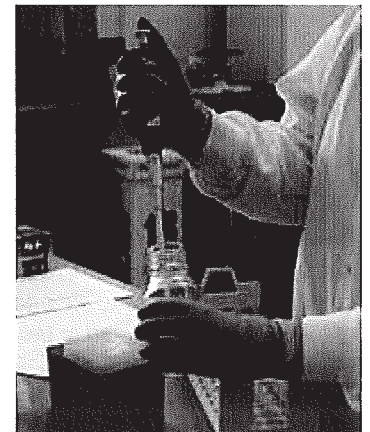
A national logistics firm purchases an under-utilized Ankeny building for a new Upper Midwest warehousing and distribution facility. The company plans to invest \$1 million to upgrade the facility and hire 80 workers with above-average wages and competitive benefits. The company accesses the Revolving Loan Fund to secure low interest financing to assist with renovations to the new building.

Special Projects Fund

Business expansion and relocation decisions focus on minimizing risk and maximizing success. The Special Projects Fund provides a source of funding to ensure that businesses can get the information they need to evaluate a location in Ankeny. The Special Projects Fund can be tapped for a wide variety of uses including traffic studies, soil testing, environmental studies, expert consultations, etc. Economic Development Department staff will work with company leaders to determine how the Special Projects Fund can bring the most value to growing businesses.

How it works:

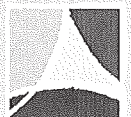
An information technology firm plans to locate its new headquarters in one of Ankeny's business parks. Since telecommunications access is critical to the company's success, the Special Projects Fund assists the company in reducing the cost of commissioning a study by a consulting firm of the adequacy of the telecom infrastructure in the business park to support their operations.



Economic Development Department
220 West First Street
Ankeny, Iowa 50023

Curtis Brown, Director
515.963.3555
cbrown@ankenyiowa.gov

www.ankenyiowa.gov/econdev



REV 09/10


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Tax Abatement Programs

Tax Abatement programs available:

Residential Tax Abatement:

Schedule 1

Abatement schedule for additions, renovations, or minor improvements (up to \$20,000 in project value).

10-yr/115% Schedule

Year 1	115% abated
Year 2	115% abated
Year 3	115% abated
Year 4	115% abated
Year 5	115% abated
Year 6	115% abated
Year 7	115% abated
Year 8	115% abated
Year 9	115% abated
Year 10	115% abated

Schedule 4A (for targeted areas only)

Abatement schedule for new construction, major improvements, or renovation of residential projects, such as single-family homes, duplexes, townhomes, apartments, condominiums, etc. Reference Targeted Residential Area Map.

10 yr/100% Schedule

Year 1	100% abated
Year 2	100% abated
Year 3	100% abated
Year 4	100% abated
Year 5	100% abated
Year 6	100% abated
Year 7	100% abated
Year 8	100% abated
Year 9	100% abated
Year 10	100% abated

Commercial and Industrial Tax Abatement:

Schedule 2

Declining abatement schedule for new construction, major improvements, or renovation to commercial and industrial properties, **subject to design guidelines being met.**

10-yr/Declining Schedule

Year 1	80% abated
Year 2	70% abated
Year 3	60% abated
Year 4	50% abated
Year 5 & 6	40% abated
Year 7 & 8	30% abated
Year 9 & 10	20% abated

Schedule 2

Declining abatement schedule for new construction, major improvements, or renovation to residential properties.

10-yr/Declining Schedule

Year 1	80% abated
Year 2	70% abated
Year 3	60% abated
Year 4	50% abated
Year 5 & 6	40% abated
Year 7 & 8	30% abated
Year 9 & 10	20% abated

Schedule 4B (city-wide)

Abatement schedule for new construction, major improvements, or renovation of residential projects, such as single-family homes, duplexes, townhomes, apartments, condominiums, etc.

5 yr/100% Schedule

Year 1	100% abated
Year 2	100% abated
Year 3	100% abated
Year 4	100% abated
Year 5	100% abated

Schedule 3

Abatement schedule for new construction, major improvements, or renovation of commercial or industrial projects, **subject to design guidelines being met.**

3-yr/100% Schedule

Year 1	100% abated
Year 2	100% abated
Year 3	100% abated

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[Building Permit Activity Reports](#)
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QUICK LINKS

[Zoning Board of Adjustment](#)
[Plan & Zoning Commission](#)
[Neighborhood Revitalization Board](#)
[Odor Hotline](#)

[Tax Abatement Info](#)
[Notice of Funding Avail](#)

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Tax Abatement Survey (September 2012)

Question: Does your city provide tax abatement for residential or commercial development? If so, what is the plan for each?

City		Response - residential	Response - commercial
1	Altoona	Provides a five year residential tax abatement. Up to \$75,000 each year.	No commercial tax abatement program.
2	Ankeny	No residential tax abatement program.	Provides the Iowa code tax incentive program for qualifying businesses. (see attachment)
3	Clive	No residential tax abatement program.	Provides tax rebates for commercial development only.
4	Des Moines	Has two options for residential abatement. (see attachment)	Has two options for commercial abatement. (see attachment)
5	Johnston	No residential tax abatement program.	No commercial tax abatement program.
6	Norwalk	Provides a five year residential tax abatement. 30% of the value up to \$75,000.	Provides a five year graduated abatement program. 75% - 60% - 45% - 30% - 15%
7	Urbandale	No residential tax abatement program.	Has two options for commercial abatement. One is a three year program for 90% of the value. The second is a five year graduated scale.
8	Waukee	No residential tax abatement program.	Commercial abatement is looked at on a case by case basis.

Information

Subject

Discuss Memorial Pool/Aquatic Center expenses/revenues

Information

Attached is information provided by Glen Cowan and Doug Bylund. You'll note the breakdown of the pool and snack bar revenues and expenses. The major pump failure cost the city \$29,300 and had this not occurred the fund would have ended up with a negative balance of \$10,800 instead of \$51,100.

The fund will receive \$50,000 in tax funds in FY13 with the majority of those coming in October and April. In addition, the Water department contributes \$5,000 per year in kind for water usage each December. The numbers will be re-estimated in Nov/Dec and will give a better indication of the overall season which begins and ends in two different fiscal years.

The bottom line is the age of the pool will create the need for repairs and ongoing maintenance. Doug developed a list to show items that he knows will need to be replaced/repared in the near future (see attached). This obviously doesn't include emergency repairs which are more than likely to occur. Re-estimates will be complete as the FY14 budget is developed and a recommendation for tax asking will be included. Doug and Glen will attend the meeting to answer questions.

Attachments

Summary

Exp & Rev

Memorial Aquatic Center
2012 Information
SUMMARY

POOL

Hours of Operation: 489.5 hrs. – not open 1st week due to pump failure. Otherwise, same as 2011.
(water in pool 125 days, 98 possible days open to public)

Attendance:

General Open Swim: 5,200 more than in 2011 – more use by season pass holders
Season pass holders = 4,100 more than in 2011 = no gate revenue
Daily Paid Admissions = only 1,100 more than in 2011

Other Use: Approximately the same as 2011

Season Pass & Punch Card Sales: About the same as past several years. A few less season passes (53) than in 2011.

Expenses & Revenues: (not Oct or Nov)

Expenses: \$192,444
Revenue: - \$147,281
Net: - \$ 45,163

\$ 5,000 = IMU Water Contribution not yet transferred
- \$ 40,163
\$ 29,311 = Repair and Replacement Costs (page 4)
- \$ 10,852

SNACK BAR

Hours of Operation: 430 hrs. - 52 less than in 2011. Approx same as past 4-5 yrs.
Not open 1st week due to pump failure.

Expenses & Revenues: (not Oct or Nov)

Revenue: \$ 31,222
Expenses: - \$ 26,414
Net: \$ 4,808

Note: Indianola Child Care does not let the children bring money to the pool to buy snack bar items. This impacts our sales as they come 5 days per week and average 125 children each day.)

TOTAL OPERATIONS

	<u>Pool</u>	<u>Snack Bar</u>	<u>Total</u>
Expenses	\$ 192,444	\$ 26,414	\$ 218,858
Revenues	\$ 147,281	\$ 31,222	\$ 178,503
TOTAL			- \$ 40,355

Comparisons for each of the 16 years for the aquatic center are on the bottom of page 3
Past 5 yrs have been in RED due to higher operation costs, replacement / repair costs and costs associated with federal and state regulation changes.

OTHER IOWA AQUATIC CENTER OPERATIONS

<u>City</u>	<u>2012 Exp./Rev. Net</u>	<u>Hours of Operation</u>	<u>Opening/ Closing Dates</u>	<u>Uses in Addition to open Swim</u>
Winterset	-\$20,000 approx	7 hrs/day	May 26-Aug 15	Lap Swim, Lessons, Aquasize
Clive		6.5 hrs/day		Lap Swim, Lessons, Aquasize
Norwalk		6 hrs/day	May 30-Aug 20	Lap Swim, Lessons
Carlisle		7.5 hrs/day	May 29-Aug 19	Lessons, Tot Swim
Osceola		8 hrs/day	May 28-Aug 21	
Chariton		6 hrs/day	May 28-Aug 21	Lessons
Des Moines		6.5 hrs/day	June 2-Aug 19(4) June 2-Sept 3(1)	Lessons
Marshalltown		7.5 hrs/day	June 1-Aug 19	Lessons, Water Walking
Ankeny		8 hrs/day	May 26-Aug 14 May 26-Sept 3	Lessons, Lap Swim
Ames		7 hrs/day	May 26-Sept 3	Lessons, Aquasize, Lap Swim
West Des Moines		7.5 hrs/day	May 29-Aug 19	Lessons
Grinnell		7 hrs/day	June 1-Aug 21	Lap Swim, Lessons
Nevada		7 hrs/day	May 28-Aug 21	Lessons, Aquasize, Lap Swim
Vinton		5 hrs/day	May 26-Aug 18	Lessons
Pella		6 hrs/day	May 28-Aug 18	Lessons, Aquasize
Indianola	-\$10,852	7 hrs/day	May 21-Sept 3	Lessons, Aquasize, Lap Swim

FISCAL YEAR EXPENSES / REVENUES & COMPARISONS

- Includes parts of 2 seasons – different than 1 complete season operation
- Starting in the negative and then making the needed repairs prior to opening of the next year season increases the negative balance to the point where revenues don't balance with expenses.
- With the age of the pool, we are going to be experiencing replacement and repair needs at some level each year unless we do a major renovation to address all the repair/replacement needs all at one time. A list of current items needing attention is listed on page 4 with the major immediate needs identified in bold at an estimated total costs

We would love to be able to operate the Memorial Aquatic Center at a break even point however with it being 16 years old, it is now at the age where we are experiencing replacement and repair needs. Changes in stage and federal swimming pool regulations are also affecting our expenses. We continue to do the best we can to operate the aquatic center as efficiently as possible without jeopardizing safety. As the 2012 season financials show, without the replacement & repair costs we came within \$10,852 of breaking even. We will continue to do our best with the aquatic center operations but with the age of the facility, tax dollars will need to be invested in it to continue to offer a safe, clean and quality swimming facility for our community.

2012 Pool Repair Expenses

Arc Flash	\$4,352.81
Circulation Pump	\$5,377.77
Underwater Lights	\$5,362.12
Ladder Repairs	\$1,556.00
Heater	\$303.75
Umbrellas	\$616.50
Spring Animals	\$240.83
Deck Chairs	\$575.76
Showers	\$500.38
Pool Paint	\$795.03
Heater Booster Pump	\$597.92
Diving Board	\$216.25
Slide Electric Preparations	\$1,177.81
Automatic Vacuum	\$4,035.87
Parking Lot Lights	\$155.69
Basketball Rim	\$270.17
Slide Step Coating	\$802.50
Circulation Pump Disconnect Replacement	\$645.11
Card Pass Printer	\$1,729.00
Total	\$29,311.27

Upcoming Aquatic Center Repair Needs October 2012

Items in Bold are priority for the 2013 season

- **Concrete Repairs**
 - Shallow Pool Step
 - Whirlpool Seat – Big Pool
 - Gutter – Zero Depth
 - Deck Areas – Near Pink Slide, and Zero Depth
 - Sidewalks around pool
- Replace Caulking – Pool Deck, \$5,000
- **Replace Caulking – Small Pool, \$4,200**
- **Replace Caulking – Large Pool, \$5,500**
- Paint restroom interior
- Replace landing pad for pink slide, \$3,000
- Make door to pink slide valve, \$200
- **Fence spacing around the entire pool. Many gaps too large, \$750**
- Pink Slide walkway and slide entrance, \$1,000
- Blue Slide Leaks, \$500
- Pink Slide Leaks, \$200
- Underwater lights repaired – Miller Electric, \$12,000
- **Install ADA Accessible Lift, \$8,000**
- Investigate New or Replacement Heater, \$40,000
- **Gauges on suction and discharge sides of all pumps, \$2,000**
- **Inspect pumps**
- **Replace Valve 2 in backwash pit, \$800**
- **Paint deck and depth markers on large pool, \$1,200**
- **Modify inlet cover on main circ pump**
- Replace Fabric on Umbrellas, \$2,500
- Repair ventilation fans in bath house
- **Inspect Filter Sand**
- **Repair Veteran's Memorial Wall Bricks, \$1,500**
- Purchase More Deck Chairs



Information

(as of September 30, 2012)

Expenses/Revenue Summary

from Computer Printout

Pool

	Expenses	Revenue
January	\$ 1,169.94	\$ 149.73
February	\$ 1,039.53	\$ 358.60
March	\$ 2,958.01	\$ 650.15
April	\$ 8,309.80	\$ 10,381.94
May	\$ 13,915.24	\$ 31,010.66
June	\$ 45,227.47	\$ 63,458.21
July	\$ 41,121.53	\$ 28,494.68
August	\$ 48,433.48	\$ 8,421.95
September	\$ 18,631.19	\$ 4,355.56
October	\$ 11,637.88	\$ -
November		
December		
Total	\$ 192,444.07	\$ 147,281.48
Pool Net		\$ (45,162.59)

Snack Bar

	Expenses	Revenue
January	\$ -	\$ -
February	\$ -	\$ 47.00
March	\$ -	\$ -
April	\$ -	\$ -
May	\$ -	\$ 2,467.61
June	\$ 8,840.95	\$ 13,801.06
July	\$ 10,348.11	\$ 11,271.14
August	\$ 7,047.52	\$ 3,636.10
September	\$ 177.45	\$ -
October	\$ -	\$ -
November		
December		
Total	\$ 26,414.03	\$ 31,222.91
Snack Bar Net		\$ 4,808.88

Combined Totals

	Expenses	Revenue
Pool	\$ 192,444.07	\$ 147,281.48
Snack Bar	\$ 26,414.03	\$ 31,222.91
Total	\$ 218,858.10	\$ 178,504.39

Net Total	Year	Other
\$ (40,353.71)	2012	
\$ (10,502.45)	2011	
\$ (25,108.75)	2010	
\$ (17,517.68)	2009	
\$ (24,175.31)	2008	
\$ 8,563.66	2007	
\$ (2,058.09)	2006	
\$ (3,572.39)	2005	
\$ (14,154.12)	2004	
\$ 9,168.58	2003	
\$ 19,225.54	2002	
\$ (13,222.91)	2001	
\$ 197.36	2000	
\$ 9,245.36	1999	
\$ 17,616.38	1998	
\$ 17,584.66	1997	

Information

Subject

Review Street, Sanitary Sewer and Storm Sewer Capital Budgets for FY's 13/14 - 17/18

Information

In your packet are the 5- year Capital Improvement Plans for Street, Sanitary Sewer and Storm Water departments. Dan Miers, Ed Yando and Chuck Burgin will attend to discuss these budgets and answer questions.

Council needs to review the documents and make changes as necessary. It will then become part of the total CIP after council reviews the General Fund CIP November 12. The entire CIP will be approved November 19 or December 3. Keep in mind the CIP is part of the entire budget and is formally approved in March with the O&M portion as well.

Budget highlights follow:

STREET:

The street capital fund is supported by debt service tax revenues and Road Use Taxes provided by the state on a per capita amount (currently \$94.00/person).

- Replacement of one 12 year old 4x4 pickup in an amount of \$25,000 used to tow equipment, haul tools and snow removal
- J&K Re-alignment with signal and paving 500' of "K". The goal is to complete the entire project by FY 2014 at a total cost of \$1,070,000 using GO Bonds, TIF, T21 and USTEP funds. Acquisition of the land has been initiated and will be complete in the current fiscal year.
- Community Athletic Facility in an amount of \$20,000 for future land acquisition for trail/soccer complex. The same amount has been transferred each year since FY2009 (\$100,000) for future relocation if necessary.
- North "C" Street replacement depending on council direction.
- East Iowa to city limits (1320'). Very preliminary discussions have indicated this may need paved based on council direction.

SEWER:

This fund is supported by sewer revenues.

- Continuation of the I&I Program with an estimated completion date of 2024 (IDNR consent order). \$100,000 is budgeted for private loans/reimbursements.
- North Wastewater Treatment Plant rehabilitation project estimated at \$12.5 million. Facility plans have been developed in the current year and \$350,000 budgeted for FY2014 for engineering. The actual construction is anticipated to begin in the spring of 2014. Rate increases are scheduled for FY16, FY17 & FY20 to handle this project and others.
- \$28,000 for replacement of South Plant pump
- \$35,000 for replacement of 2003 F-350 with plow

STORM SEWER:

This fund is supported by the storm water utility established in March 2011. Each location is charged \$2.00 per Equivalent Residential Unit (ERU).

- \$50,000 for sump tiling projects

- \$50,000 for storm sewer maintenance and repairs (An example is the North 8th & Iowa Drainage Project)

Attachments

RUT

Street CIP

Sewer CIP

Stormsewer Plan

[illegible]

STREETS CAPITAL IMPROVEMENT PLAN									
	Current FY12/13	FY13/14	FY14/15	FY 15/16	FY16/17	FY17/18	Future	TOTAL PROJECT	
STREETS EQUIPMENT									
2 Dump Trucks with Plow Equipment GO	260,000							260,000	
Pickups GO		25,000		20,000		20,000		65,000	
Road Grader/Maintainer GO			230,000					230,000	
Street Sweeper GO				190,000				190,000	
Backhoe GO					85,000			85,000	

STREETS CAPITAL IMPROVEMENT PLAN									
	Current FY12/13	FY13/14	FY14/15	FY 15/16	FY16/17	FY17/18	Future	TOTAL PROJECT	
STREETS - STREET PROJECTS									
2012 Street Replacement	2,500,000							2,500,000	
Realign J & K w/Signal (& paving 500' of K) GO TIF \$530,000; T21 (\$500,000); and, USTEP (\$40,000)	220,000	850,000						1,070,000	
Community Athletic Facility Sidewalk/Trail	20,000	20,000						40,000	
North "C" Street Paving	50,000	450,000						500,000	
East Iowa to East City Limits (1320') TIF GOB and/or CLN (\$182,500) and GO Seal Coat/Repave Streets RUT		365,000	10,000					365,000	
R63 & Highway 92 Signal USTEP (\$50,000) and GO (\$100,000)			150,000					150,000	
W Hwy 92 Curb/Gutter/Trail (fairgrounds W to R) Sidewalks			70,000					70,000	
Widen Hwy 65/69 - Hwy 92 thru 17th TIF GO (\$300,000) and State Grants (\$300,000)				600,000				600,000	
Hoover ROW T21				100,000				100,000	
North 15th/16th Street - Iowa to Hillcrest GO w/ Special Assessments				396,000				396,000	
Hoover - Hwy 65 to Sewer Plant GO w/ Special Assessments (\$1,000,000) and T21 (\$1,000,000)					2,000,000			2,000,000	
Country Club to Hoover GO w/ Special Assessments					275,000			275,000	
West 12th from South G to South K GO w/ Special Assessments					300,000			300,000	

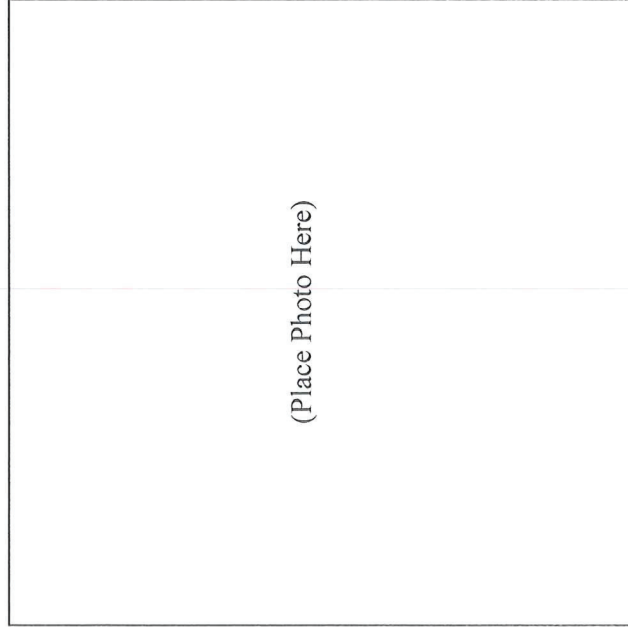
STREETS CAPITAL IMPROVEMENT PLAN									
	Current								TOTAL
	FY12/13	FY13/14	FY14/15	FY 15/16	FY16/17	FY17/18	Future		PROJECT
South G to 12th Street GO w/ Special Assessments					300,000				300,000
Street Replacement Project - Various						2,500,000			2,500,000
S K - 12th Avenue 500' to South City Limits GO w/ Special Assessments						900,000			900,000
West First Avenue - G to H Street - 312' GO w/ Special Assessments						75,000			75,000
East 4th Avenue - 310- East GO w/ Special Assessments						75,000			75,000
Jackson - North C to North B GO w/ Special Assessments						75,000			75,000
Jackson Buxton to Howard GO w/ Special Assessments						75,000			75,000
First Street - South of 7th 1490' GO w/ Special Assessments						450,000			450,000
West 17th GO w/ Special Assessments							800,000		800,000
Plainview East 3600' GO w/ Special Assessments							990,000		990,000
TOTAL STREETS CAPITAL PROJECTS	3,050,000	1,710,000	460,000	1,306,000	2,960,000	4,170,000	1,790,000		15,446,000

CITY OF INDIANOLA

FY 2013-14 to 2017-2018 CAPITAL IMPROVEMENT PROGRAM

DEPARTMENT STREET DEPARTMENT		PROJECT TITLE EXTENDED CAB PICKUP 4X4						PRIORITY NO. 1	
		Recommended And Scheduled Cost For Five-Year Period							
TOTAL ESTIMATED COST	ESTIMATED FUNDING SOURCE	SOURCE OF REQUEST	2012-13 (Current)	2013-14	2014-15	2015-16	2016-17	2017-18	Cost Beyond 2018
\$25,000	RUT	EQUIPMENT UPDATE		X \$25,000					

Description: PICKUP USED FOR EVERYDAY WORK



Justification: WE ARE REPLACING A 2001 DODGE 250 4X4 WITH 44,000 MILES. ALTHOUGH LOW MILES THE TRUCK WILL BE 12 YEARS OLD AND IS ON A SCHEDULE TO BE REPLACED. MAINTAINANCE COST'S ARE INCREASING WITH AGE AND RUST IS STARTING TO SHOW UP. THEY ARE USED TO TOW EQUIPMENT, HAUL TOOLS AND MATERIAL TO JOB SITES, AND SNOW REMOVAL.

Relationship To Comprehensive Plan & Other Projects:

CITY OF INDIANOLA

FY 2013-14 to 2017-2018 CAPITAL IMPROVEMENT PROGRAM

DEPARTMENT STREET DEPARTMENT			PROJECT TITLE ROAD GRADER/MAINTAINER						PRIORITY NO. 1
			Recommended And Scheduled Cost For Five-Year Period						
TOTAL ESTIMATED COST	ESTIMATED FUNDING SOURCE	SOURCE OF REQUEST	2012-13 (Current)	2013-14	2014-15	2015-16	2016-17	2017-18	Cost Beyond 2018
\$230,000	GO BONDS	EQUIPMENT UPDATE			X \$230,000				

Description: THE ROAD GRADER IS USE IN DIRT WORK, BLADING GRAVEL
ROADS AND SNOW REMOVAL

Justification: WE ARE REPLACING A 1998 JOHN DEERE GRADER
CURRENT MODEL IS A 672 ALL WHEEL DRIVE WITH ROUGHLY 8,000 HOURS.

Relationship To Comprehensive Plan & Other Projects:

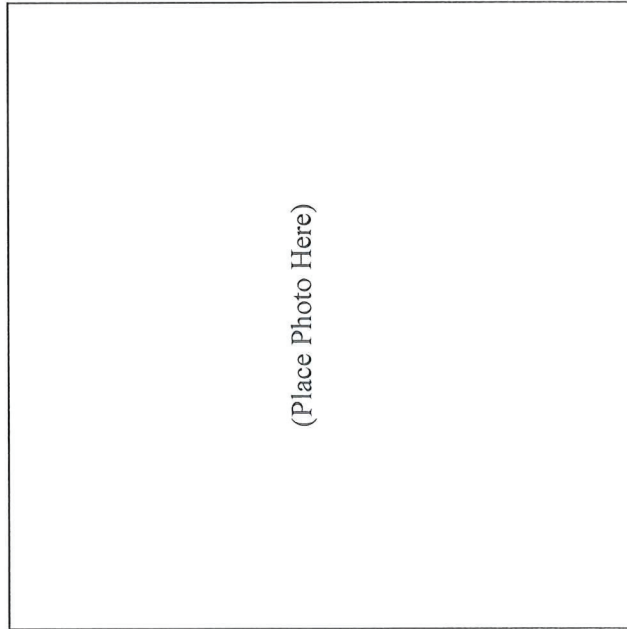
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CITY OF INDIANOLA

FY 2013-14 to 2017-2018 CAPITAL IMPROVEMENT PROGRAM

DEPARTMENT STREET DEPARTMENT			PROJECT TITLE EXTENDED CAB PICKUP 2X4						PRIORITY NO. 1
			Recommended And Scheduled Cost For Five-Year Period						
TOTAL ESTIMATED COST	ESTIMATED FUNDING SOURCE	SOURCE OF REQUEST	2012-13 (Current)	2013-14	2014-15	2015-16	2016-17	2017-18	Cost Beyond 2018
\$20,000	RUT	EQUIPMENT UPDATE			X \$20,000	>			
						moved to FY16			

Description: PICKUP USED FOR EVERYDAY WORK



Justification: WE ARE REPLACING A 2002 DODGE 250 2X4 WITH 48,000 MILES. ALTHOUGH LOW MILES THE TRUCK WILL BE 12 YEARS OLD AND IS ON A SCHEDULE TO BE REPLACED. MAINTAINANCE COST'S ARE INCREASING WITH AGE AND RUST IS STARTING TO SHOW UP. THEY ARE USED TO TOW EQUIPMENT, HAUL TOOLS AND MATERIAL TO JOB SITES. THIS TRUCK IS USED AS OUR SIGN TRUCK IT IS SET UP TO WORK ON TRAFFIC SIGNS ETC.

Relationship To Comprehensive Plan & Other Projects:

CITY OF INDIANOLA

FY 2013-14 to 2017-2018 CAPITAL IMPROVEMENT PROGRAM

DEPARTMENT STREET DEPARTMENT			PROJECT TITLE MECHANICAL STREET SWEEPER						PRIORITY NO. 1
			Recommended And Scheduled Cost For Five-Year Period						
TOTAL ESTIMATED COST	ESTIMATED FUNDING SOURCE	SOURCE OF REQUEST	2012-13 Current	2013-14	2014-15	2015-16	2016-17	2017-18	Cost Beyond 2018
\$190,000	GO BONDS	EQUIPMENT UPDATE				X \$190,000			

Description: THIS IS A MECHANICAL STREET SWEEPER RAN BY HYDRALICS NOT AIR. IT IS USED 8 TO 9 MONTHS A YEAR (EVERYDAY) IT CLEANS UP TRASH, DIRT, GRAVAL, LEAVES, ETC.

Justification: WE WOULD BE REPLACING A 2006 MX450 JOHNSTON MECHANICAL SWEEPER. OUR CURRENT SWEEPER HAS APPROXIMATELY 7000 HOURS ON IT. WHEN IT'S DUE TO BE REPLACED IT WILL HAVE OVER 10,000 HOURS. THESE SWEEPERS ARE VERY HIGH MAINTAINANCE. REPLACING BROOMS, BRUSHES, SQUEEGES, ETC. THE OLDER OR MORE HOURS THEY GET THE MORE PROBLEMS THEY WILL HAVE. LIFE EXPECTANCY IS ROUGHLY 10,000 HOURS.

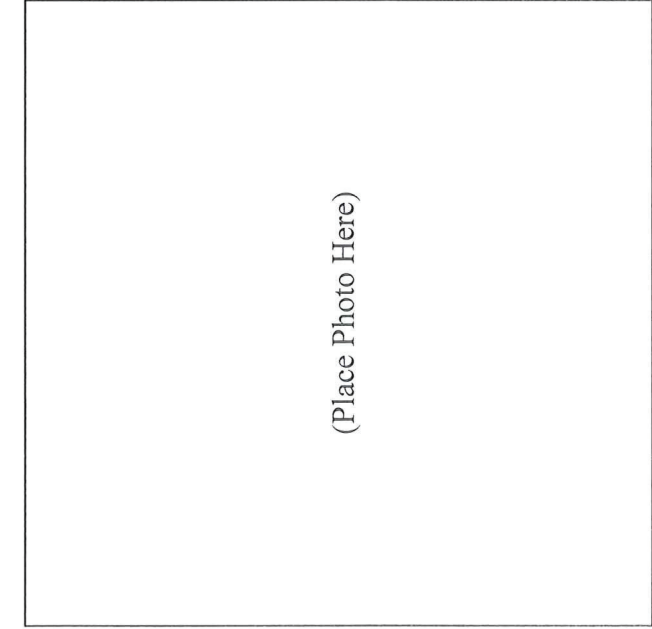
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Relationship To Comprehensive Plan & Other Projects:

CITY OF INDIANOLA

FY 2013-14 to 2017-2018 CAPITAL IMPROVEMENT PROGRAM

DEPARTMENT STREET DEPARTMENT		PROJECT TITLE RUBBER TIRE BACKHOE						PRIORITY NO. 1	
		Recommended And Scheduled Cost For Five-Year Period							
TOTAL ESTIMATED COST	ESTIMATED FUNDING SOURCE	SOURCE OF REQUEST	2012-13 Current	2013-14	2014-15	2015-16	2016-17	2017-18	Cost Beyond 2018
\$85,000	GO BONDS	EQUIPMENT UPDATE					X \$85,000		



Description: THIS MACHINE IS A RUBBER TIRE BACKHOE WHICH WE USE ALL YEAR LONG WITH CONCRETE, ASPHALT, SNOW REMOVAL AND UNDERGROUND WORK.

Justification: WE WOULD BE REPLACING A 2002 JOHN DEERE 310 G WHICH CURRENTLY HAS 6000 HOURS ON IT. I'VE BEEN TRYING TO REPLACE THESE BACKHOES EVERY TEN YEARS BUT THERE ARE SOME OTHER LARGE PIECES OF EQUIPMENT THAT NEEDED TO BE PUT AHEAD OF THIS ONE.

Relationship To Comprehensive Plan & Other Projects:

CITY OF INDIANOLA

FY 2013-14 to 2017-2018 CAPITAL IMPROVEMENT PROGRAM

DEPARTMENT STREET DEPARTMENT			PROJECT TITLE EXTENDED CAB PICKUP 2X4							PRIORITY NO. 1
			Recommended And Scheduled Cost For Five-Year Period							
TOTAL ESTIMATED COST	ESTIMATED FUNDING SOURCE	SOURCE OF REQUEST	2012-13 (Current)	2013-14	2014-15	2015-16	2016-17	2017-18	Cost Beyond 2018	
\$20,000	RUT	EQUIPMENT UPDATE				X \$20,000				
						moved to FY18				

Description: PICKUP USED FOR EVERYDAY WORK

(Place Photo Here)

Justification: WE ARE REPLACING A 2004 FORD 250 2X4 WITH 84,000 MILES. IT IS SCHEDULED TO BE REPLACED AND MAINTAINANCE COST'S ARE INCREASING WITH AGE AND RUST IS STARTING TO SHOW UP. THEY ARE USED TO TOW EQUIP. HAUL TOOLS AND MATERIAL TO JOB SITES.

Relationship To Comprehensive Plan & Other Projects:

SEWER FINANCIAL PLAN

	Current *FY 12/13	*FY 13/14	FY 14/15	**FY 15/16	**FY 16/17	FY 17/18	FY 18/19	**FY 19/20	FY 20/21
Beginning Balance	489,300	703,285	655,015	464,495	117,505	62,451	70,096	30,742	102,709
Sewer Revenue (fees)	2,661,200	2,890,200	2,890,200	3,034,710	3,186,446	3,186,446	3,186,446	3,345,768	3,345,768
Other Sewer Revenue	100,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000
TOTAL REVENUES	3,250,500	3,673,485	3,625,215	3,579,205	3,383,951	3,328,896	3,336,542	3,456,509	3,528,477
Capital Projects O&M	(28,000)	(163,000)	(128,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)
Debt Service	(859,015)	(1,153,470)	(1,287,720)	(1,572,700)	(1,387,500)	(1,278,800)	(1,278,800)	(1,278,800)	(1,278,800)
Total Capital & Debt Service	(887,015)	(1,316,470)	(1,415,720)	(1,672,700)	(1,487,500)	(1,378,800)	(1,378,800)	(1,378,800)	(1,378,800)
Sewer O & M (2.5% increase)	(1,660,200)	(1,702,000)	(1,745,000)	(1,789,000)	(1,834,000)	(1,880,000)	(1,927,000)	(1,975,000)	(2,024,000)

PROJECTED									
ENDING BALANCE	703,285	655,015	464,495	117,505	62,451	70,096	30,742	102,709	125,677

*Rates reflect add'l \$.25 minimum charge & \$.80/1,000 gallons charge for FY12/13 & FY13/14 required to keep positive balance

**Projected Rate Increases FY16, FY17 & FY20-5% for sewer plant upgrade

There are a total of 4,828 customers (including residential & commercial accounts)

Water consumption annual total	2008	360,975,051	gallons
	2009	345,478,407	gallons
	2010	330,004,863	gallons
	2011	325,000,000	gallons
	2012	325,000,000	gallons

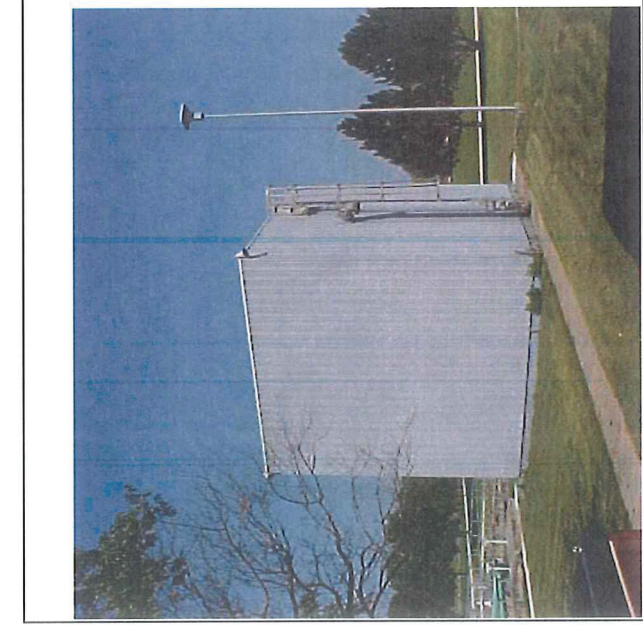
FY 2013-14 to 2017-2018 CAPITAL IMPROVEMENT PROGRAM

A photograph showing a cross-section of a large, circular, reddish-brown object, likely a piece of wood or a container, with a dark, irregularly shaped object inside. The dark object has a distinct, angular shape, possibly a metal fitting or a piece of debris. The surrounding material is a light brown, fibrous texture.

Relationship to Comprehensive Plan & Other Projects: Completion of the I&I program by Dec. 2013. Provide continual service to the citizens.

INDIANOLA CIP BUDGET **FY 2013-14 to 2017-2018 CAPITAL IMPROVEMENT PROGRAM**

DEPARTMENT			PROJECT TITLE							PRIORITY NO.
Water Pollution Control			North Treatment Plant Rehab							2
			Recommended And Scheduled Cost For Five-Year Period							
TOTAL ESTIMATED COST	ESTIMATED FUNDING SOURCE	SOURCE OF REQUEST	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	Cost Beyond 2018	
\$12,550,000	Bonds	Departmental Need	\$150,000	\$350,000	\$8,500,000	\$1,500,000			\$2,050,000	



Description: Total Project cost is \$12.55 million. Engineer facility plan completed Sept of 2012 for the rehabilitation of the buildings, electronics, primary clarifier, bio filter, bio solids storage, aerations tanks and manifold, pumps, filtration and add disinfection equipment \$0.5 million for design for 13-14, \$10.5 million construction & ELA yrs 14-16, \$2.05 million for future N&P upgrade and bio-solids storage beyond yr 2018.

Justification: Anticipated regulation changes scheduled from IDNR. Exceeding design limits of the treatment plant.

Relationship To Comprehensive Plan & Other Projects: IDNR regulations, aging of the facility and population growth.

CITY OF INDIANOLA

FY 2013-14 to 2017-2018 CAPITAL IMPROVEMENT PROGRAM

DEPARTMENT Water Pollution Control		PROJECT TITLE South Plant Pumps						PRIORITY NO. 4	
		Recommended And Scheduled Cost For Five-Year Period							
TOTAL ESTIMATED COST	ESTIMATED FUNDING SOURCE	SOURCE OF REQUEST	2012-13 (Current)	2013-14	2014-15	2015-16	2016-17	2017-18	Cost Beyond 2018
\$56,000	Operation Budget		\$28,000	\$28,000					

Description: The department needs to replace and retro fit 2 new dry pit application south plant pumps. The pump station shall be equipped with 2 pumps in parallel, specification is 500 GPM at 168 ft of head.

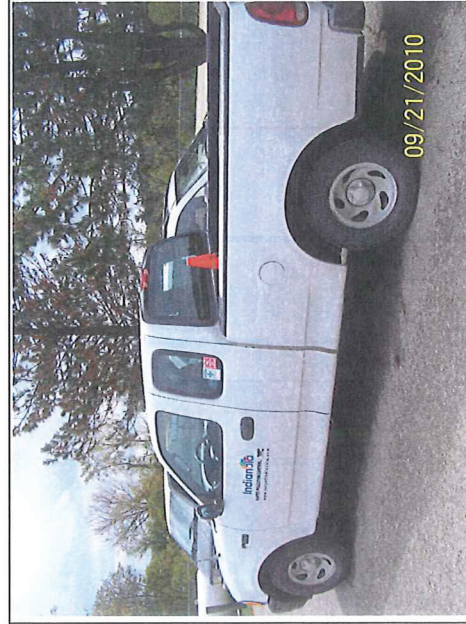
Justification: Current pumps have not been reliable. We have lost pump operation 8 times in four years due to motor over temp and upper bearing failure.

Relationship To Comprehensive Plan & Other Projects:



INDIANOLA CIP BUDGET **FY 2013-14 to 2017-2018 CAPITAL IMPROVEMENT PROGRAM**

DEPARTMENT			PROJECT TITLE							PRIORITY NO.
Water Pollution Control			Vehicle Replacement							3
			Recommended And Scheduled Cost For Five-Year Period							
TOTAL ESTIMATED COST	ESTIMATED FUNDING SOURCE	SOURCE OF REQUEST	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	Cost Beyond 2018	
\$183,000	User Fee	Departmental Need		\$35,000	\$28,000			\$120,000		



Description: 2014 Replace 2003 F-350 w/plow
2015 Replace 2004 F-250
Camera Van and Equipment

Justification: Vehicle Replacement Program

Relationship to Comprehensive Plan & Other Projects:



Water Pollution Control PO Box 299, Indianola, IA 50125
Phone (515) 961 9416 • Fax (515) 961 9408
www.cityofindianola.com

August 17, 2012

To: Jean Furler, City Manager

From: Dan Miers, WPC Superintendent

RE: Goals and Achievement Plan

Our goals for the sewer plant and collection system are listed in our program statement 2012-2013. This letter will outline what the WPC Staff, City Management, and Council can do to accomplish these goals.

To accomplish any and all goals requires plant management and staff to have one operation plan. Written standard operating procedures will include plant operations, design specifications, IDNR permit requirements, lab procedures, maintenance plan, weekend and on-call procedures, collection systems maintenance, I&I policies, shared sewer service policies and operations.

An Administrative Consent Order was issued by the IDNR in 2008. The consent order designates specific deadlines for the completion of I&I study and repairs. V&K Engineering and staff are implementing the final phase of the 4-phase I&I program. All construction shall be completed by Dec of 2013.

We are inspecting, testing and notifying 150 homes annually of their I&I compliancy. Our consent order was amended to inspect 150 homes per year rather than the 300 homes per year originally designated. This extended the completion date also. Per the consent order we are now required to complete all residential inspection by Dec 2024.

Nutri-Ject will begin their 3-year hauling contract this fall. Our new contract price is much higher than the old contract. This increase was expected and will be reflected in the budget.

The facility plan is completed. The plan prescribes upgrades at the treatment plant. The engineer study and design is budgeted in this year, with construction in the 2013-2014 & 2014-2015 budgets.

Plant up-grades that are becoming a priority are:

- 1) Aeration header replacement
- 2) Digester rehab (roof, draft tube, mixing pump)
- 3) Floor of the north primary clarifier.
- 4) Primary and secondary clarifier drive units replacement
- 5) Primary and secondary clarifiers sweep arm replacement
- 6) Plant Filters
- 7) All in-plant pumps
- 8) Rehab all electrical (Replace relays, old rusted conduit, remove old equipment, controls)
- 9) Re-model (Siding and roof replacement on Admin, maintenance, filter, sludge thickener, digester buildings)
- 10) Bio-tower replacement.
- 11) Prepare for new permit standards (e-coli coliform, disinfection, nitrogen, phosphorous)

New permits and requirements

Title V air quality permit. This permit regulates all generator, boiler and flare stack air emissions. We are required to monitor run times and fuel consumption.

UST Underground storage tanks. This permit requires a UST licensed operator to monitor the underground fuel storage tank at the Morlock lift station. A licensed UST A/B operator must be on staff to meet all the monitoring requirements for the fuel storage.

Information	
Subject	
Other items	
Information	