



Council Study Meeting
April 16, 2018
6:00 p.m.
City Council Chambers

Agenda

1. Presentation and direction regarding the Urban Renewal Plan
2. Update regarding the study of South "K" Street
3. Other items

City Council Study Meeting

1.

Meeting Date: 04/16/2018

Information

Subject

Presentation and direction regarding the Urban Renewal Plan

Information

Community Development Director Chuck Burgin will present the Urban Renewal Plan (packet).

Fiscal Impact

Attachments

UR Presentation

The background features abstract, overlapping green geometric shapes, primarily triangles and polygons, in various shades of green, creating a modern and dynamic visual effect.

Urban Revitalization

For Indianola

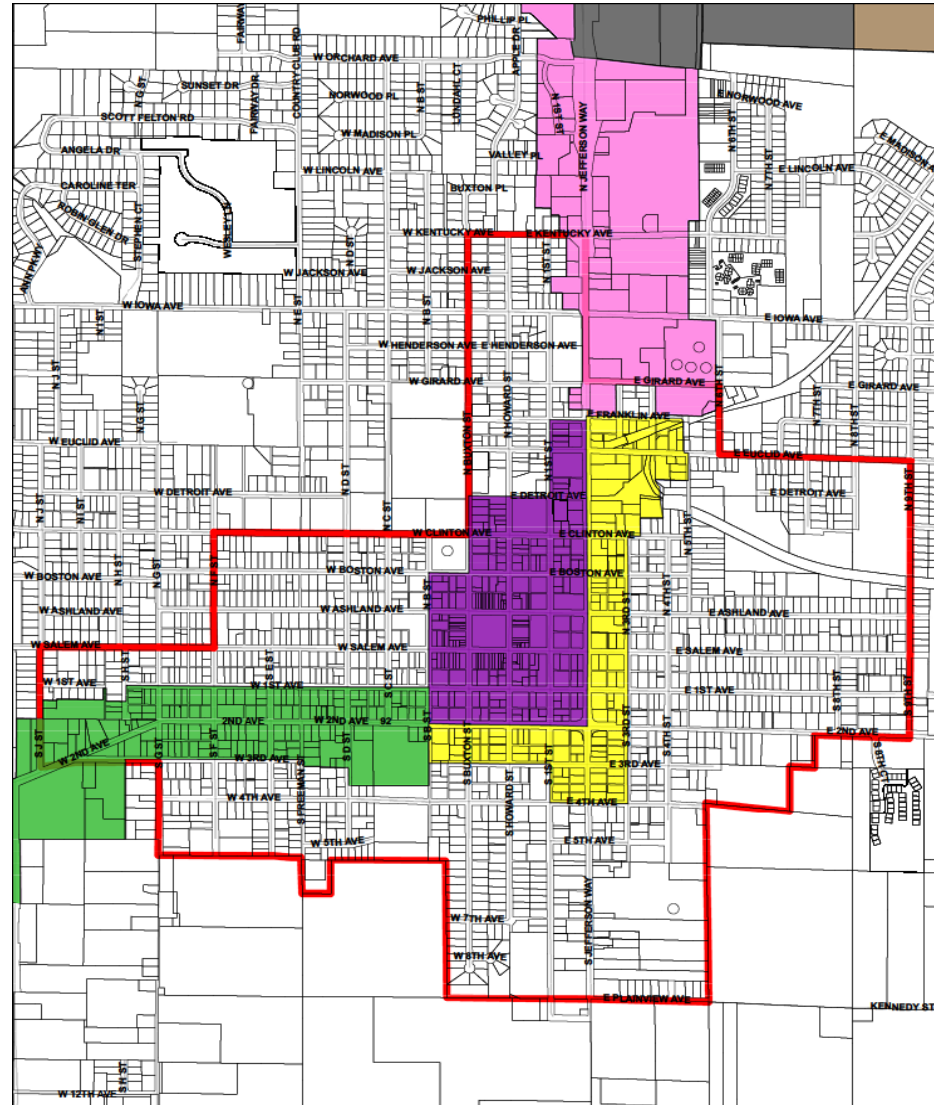
Why Are We Here?

- ▶ City Council identified residential development as a priority in the Strategic Plan.
- ▶ Hired Simmering-Cory to perform blight assessment of residential properties within the entire community.
- ▶ Conducted survey of Golden Circle communities regarding their tax abatement plan.
- ▶ Obtained feedback from local realtors.
- ▶ Received opinion from Ahler's Law Firm regarding expansion of tax abatement plan to include entire community.

As identified by Simmering-Cory

Blighted area (in red) estimated at 29.08%

Community-wide blight estimated at 16.02%



NAME

TIF Districts	Downtown Amend #1 FY 2026/27	East Hwy 92 Amend #1 FY 2026/27	Indianola Hillcrest Amend #2 FY 2021/22
NAME	Downtown Amend #2 FY 2028/29	Indianola Hillcrest (Original) FY 2017/18	Indianola Hillcrest Amend #3 FY 2025/26
(Original) Downtown FY 2022/23	East Hwy 92 (Original) FY 2025/26	Indianola Hillcrest Amend #1 FY 2018/19	Indianola Hillcrest Amend #4 FY 2029/30

Local Realtor Input

▶ Met with Indianola Realtors

- ▶ Iowa Realty
- ▶ Better Homes and Gardens
- ▶ Exit Realty

▶ Feedback from Realtors

- ▶ Do not create two different zones
- ▶ Do not call it blight
- ▶ First years are more compelling
- ▶ Do not create percentage of value, straight percentage preferred
- ▶ First year at 100% is important
- ▶ 3-5 year program is preferred
- ▶ Create program that incentivizes improvements
- ▶ Do not have two options, one program that mandates energy efficient appliances

Survey of Residential Tax Abatement Plans in other Iowa Municipalities (Golden Circle)

	City	Response
1	Adel	2017-2018: Seven year program 100% abatement 2019-2020: New three year sliding scale program - Year 1 75%, Year 2 50%, Year 3 25% After 2020: Program ends If construction begins in 2018 and ends in 2019, the percentage completed as of December 31, 2018 will receive the seven years at 100%. The percentage completed in 2019 will receive the new three-year sliding scale. If this occurs, two abatement applications will need to be submitted (i.e., one for 2018 and one for 2019). If construction begins in 2020 and ends in 2021, the percentage completed as of December 31, 2020 will receive the new three-year sliding scale. The percentage completed in 2021 will receive no abatement.
2	Altoona	Provides a five year residential tax abatement. Up to \$75,000 each year.
3	Bondurant	Provides a three year sliding scale tax abatement program - Year 1 75%, Year 2 60%, Year 3 45%.
4	Carlisle	Provides a five year residential tax abatement at 100% abatement.
5	Des Moines	Option #1 - 10 years - Years 1-8 100%, Year 9 60%, Year 10 40% in targeted areas only Option #2 - 6 years - 100% for first 3 years, Year 4 75%, Year 5 50%, Year 6 25%
6	Knoxville	Provides a five year sliding scale tax abatement - Year 1 100%, Year 2 80%, Year 3 60%, Year 4 40%, Year 5 20%.
7	Nevada	Provides a three year residential tax abatement at 100% abatement.
8	Norwalk	Provides a five year residential tax abatement. Up to \$75,000 each year.
9	Perry	Provides a ten year residential tax abatement program - Years 1-5 100%, Year 6 85%, Year 7 60%, Year 8 45%, Year 9 30%, Year 10 15%
10	Pleasant Hill	Provides a five year residential tax abatement. Year 1 75%, Year 2 60%, Year 3 45%, Year 4 30%, Year 5 15%
11	Van Meter	Provides a five year residential tax abatement. Years 1-3 100%, Year 4 75%, Year 5 50%
12	Ankeny	No residential tax abatement program.
13	Clive	No residential tax abatement program.
14	Granger	No residential tax abatement program.
15	Grimes	No residential tax abatement program.
16	Johnston	No residential tax abatement program.
17	Polk City	No residential tax abatement program.
18	Urbandale	No residential tax abatement program.
19	Waukee	No residential tax abatement program.
20	West Des Moines	No residential tax abatement program.
21	Windsor Heights	No residential tax abatement program.

Nate Overberg, Ahler's Law Firm

Opinion 03/01/18

- ▶ City Council would need to make a finding that the area (entire city) satisfies one or a combination of these definitions (slum, blight, historical) by determining:
 - ▶ 1. There is a predominance of buildings by reason of dilapidation, deterioration, obsolescence, inadequate provision for ventilation, light, air, sanitation, open space, high density or overcrowding.
 - ▶ 2. Substantial number of deteriorated structures within designated area.

Tax Abatement City-Wide

Pros

- ▶ Increasing area to include entire city would allow Council to create a more aggressive tax abatement schedule (particularly for new development areas).
- ▶ City would be more competitive with nine of the 21 cities in the Golden Circle that have expanded their abatement program.
- ▶ No case law or regulations clarifying these specific definitions including the Supreme Court declining to formulate or apply a precise percentage or equations to determine what combinations of criteria results in blight.
- ▶ Courts are inclined to defer to the City's legislative decisions designating these types of areas, provided the City can support its decision with facts and the decision is not arbitrary, capricious or unreasonable.
- ▶ Positive reaction from Press and Developers

Tax Abatement City-Wide

Cons

- ▶ The study performed by Simmering-Cory identified 16.02% of city-wide residential units were categorized as blighted. Study recommended tax abatement be implemented in a specific reduced area, estimated at 29.08% as blighted.
- ▶ Possibility of legal action
- ▶ Existing housing market competing with enhanced tax abatement program.
- ▶ Potential Bad Press

Looking for Council Direction

- ▶ Expand urban revitalization area to include the entire community for a more aggressive tax abatement program or limit a more aggressive program within the identified blighted area (Simmering-Cory's recommendation)?
- ▶ Determine schedule of tax abatement -
 - Option 1 - 100% for three years (as recommended by realtors)
 - Option 2 - 100% for five years on a sliding scale, Year 1 = 100%, Year 2 = 80%, Year 3 = 60%, Year 4 = 40%, Year 5 = 20%
 - Option 3 - Years 1-3 = 100%, Year 4 = 75%, Year 5 = 50%
- ▶ Include schedule for multi-family development?
- ▶ Include schedule for 10% improvement to existing homes?
- ▶ Include expansion to the commercial tax abatement program?

Next Steps - After Council Feedback

- ▶ Community Development drafts a new urban revitalization ordinance with Council's direction
- ▶ Schedule study committee with Council
- ▶ Receive additional feedback from Realtors and Council
- ▶ Schedule Public Hearing
- ▶ Adopt new urban revitalization plan

City Council Study Meeting

2.

Meeting Date: 04/16/2018

Information

Subject

Update regarding the study of South "K" Street

Information

Dave Moeller, Snyder and Associates, will update the committee regarding South "K" Street (packet).

Fiscal Impact

Attachments

Presentation



APRIL 16, 2018

SOUTH K STREET CONCEPT STUDY

CITY OF INDIANOLA, IOWA

BACKGROUND

Project History

- Seal coat dust control – 2014-2015
- Develop maintenance alternatives, January 2017
- Chemical dust control, May 2017
- Maintenance and track costs
- Develop concept plan

Concept Study Objectives

- Traffic forecast
- Traffic signal warrant analysis
- Future street plan
- Cost opinion
- Implementation plan

Traffic Evaluation

- Current traffic
- Average Daily Traffic (ADT) = 730vpd
- Intersection counts January 10, 2018



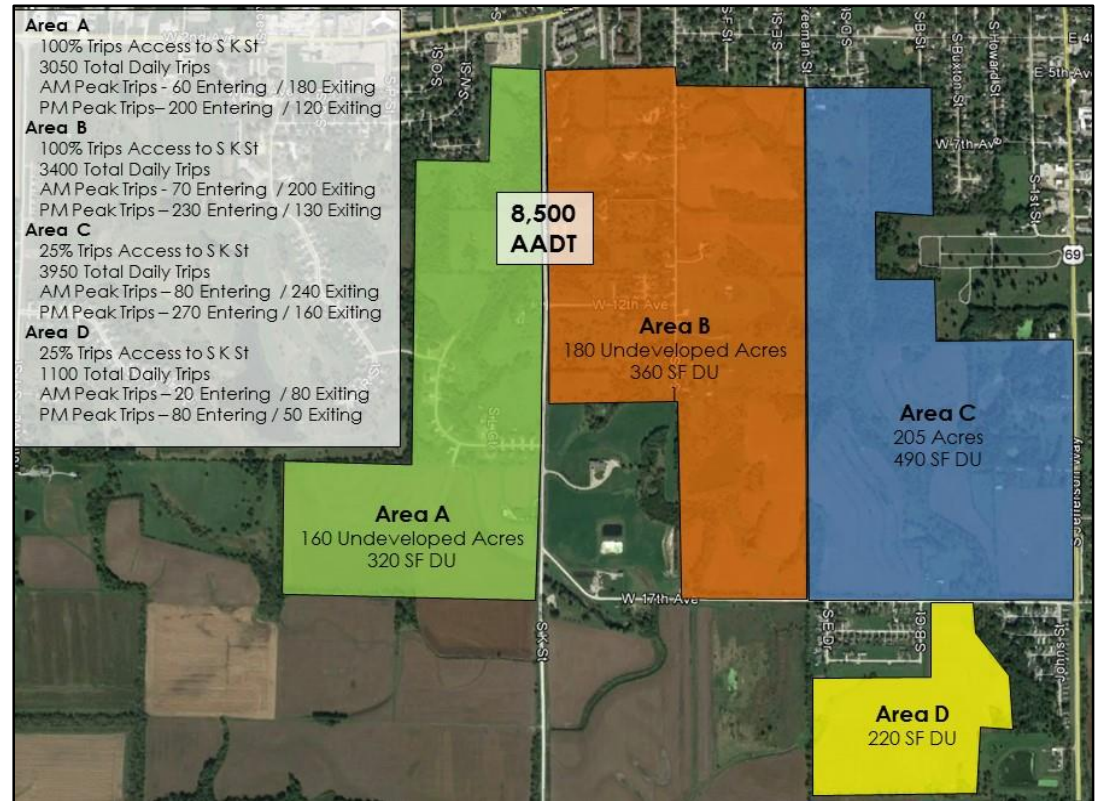
A.M. PEAK



P.M. PEAK

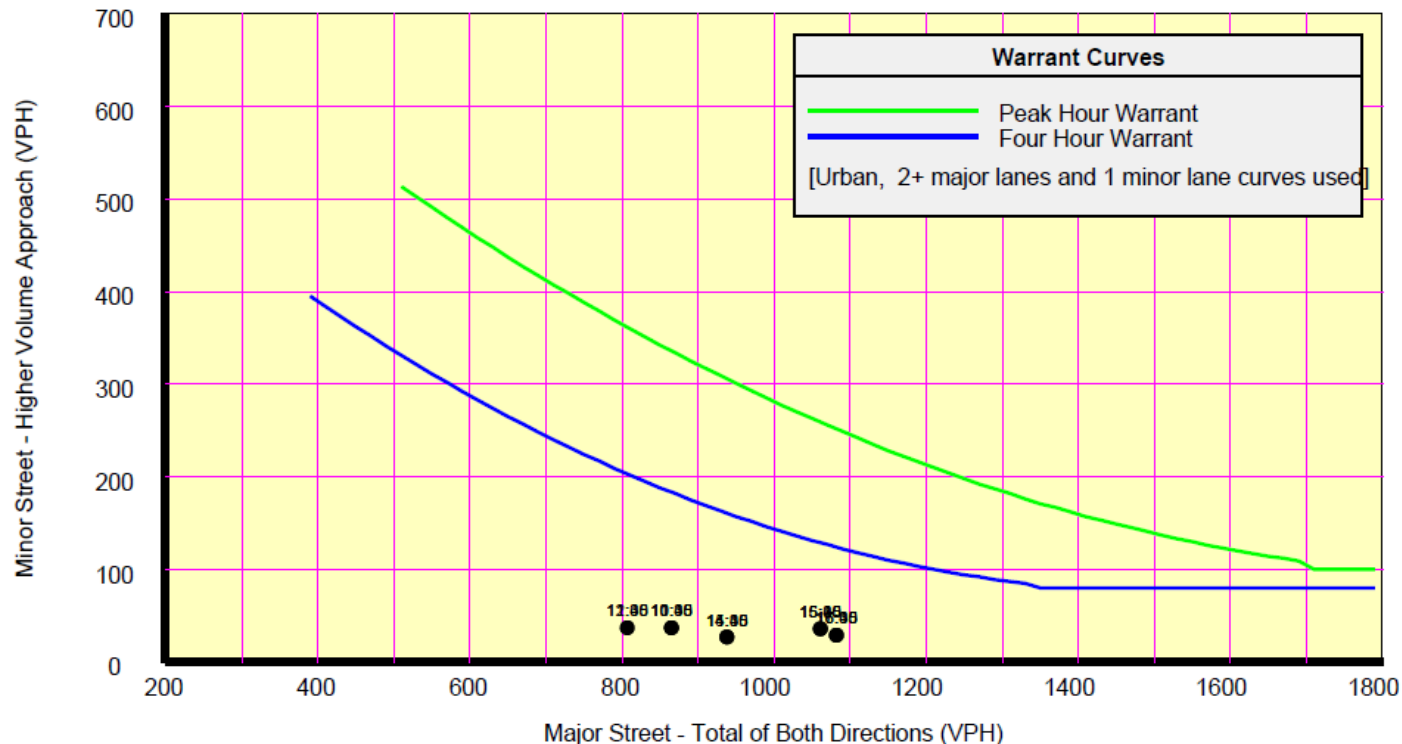
Traffic Projections

- Development build out
- Forecast traffic
 - Growth rate 1.2% (2011 Comprehensive Plan)



Traffic Signal Warrant Analysis

- Nine traffic signal warrants established in the Manual of Uniform Traffic Control Devices (MUTCD)



South K Street Design Parameters

- Collector roadway
- Green Street designation
- Parkway designation

Design Parameters in Context

Comprehensive Plan

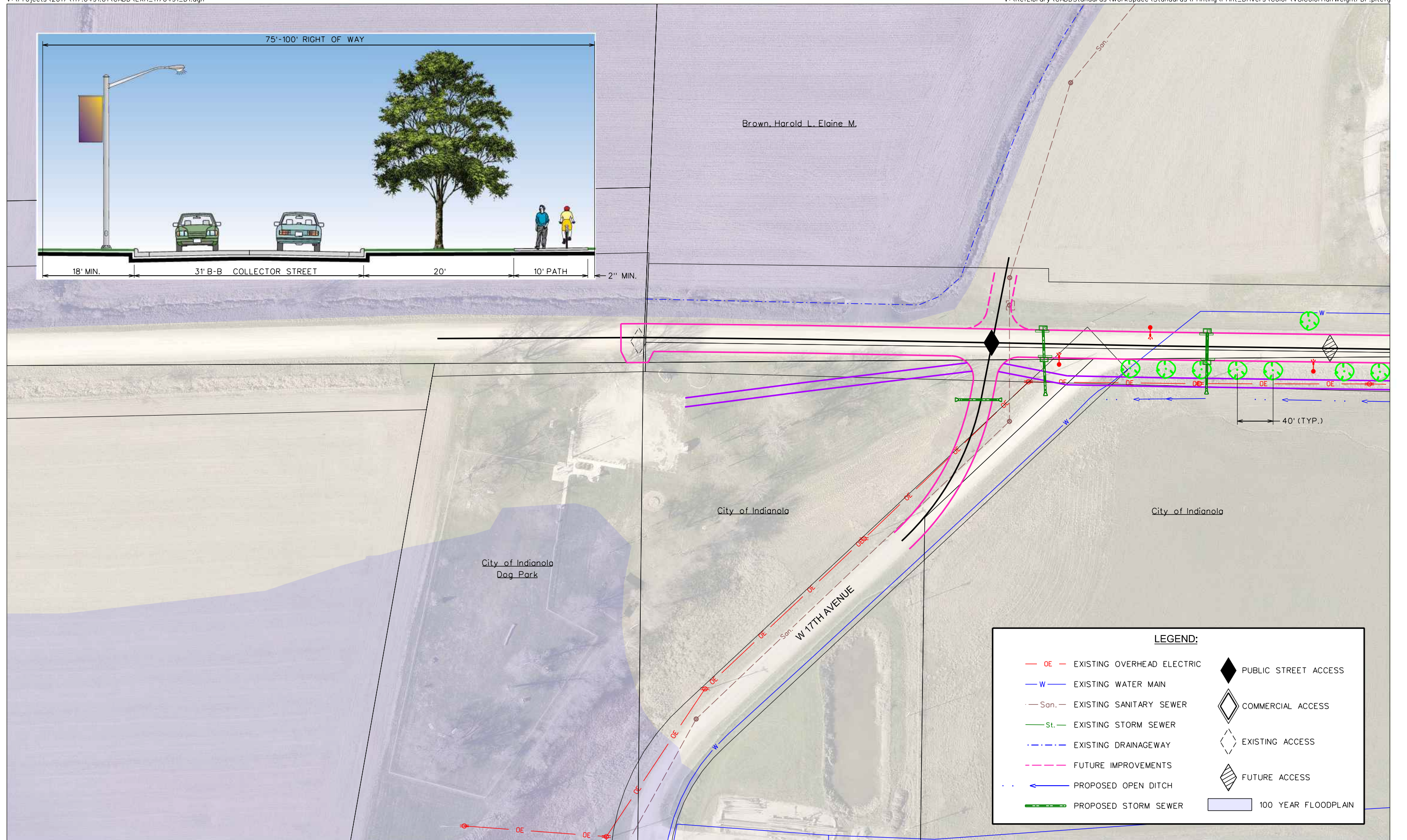
- Divided boulevard
- No residential driveways
- Auxiliary lanes at intersection
- Bike lanes and sidewalks
- Buried utilities
- Boulevard lighting and trees
- 100' right of way

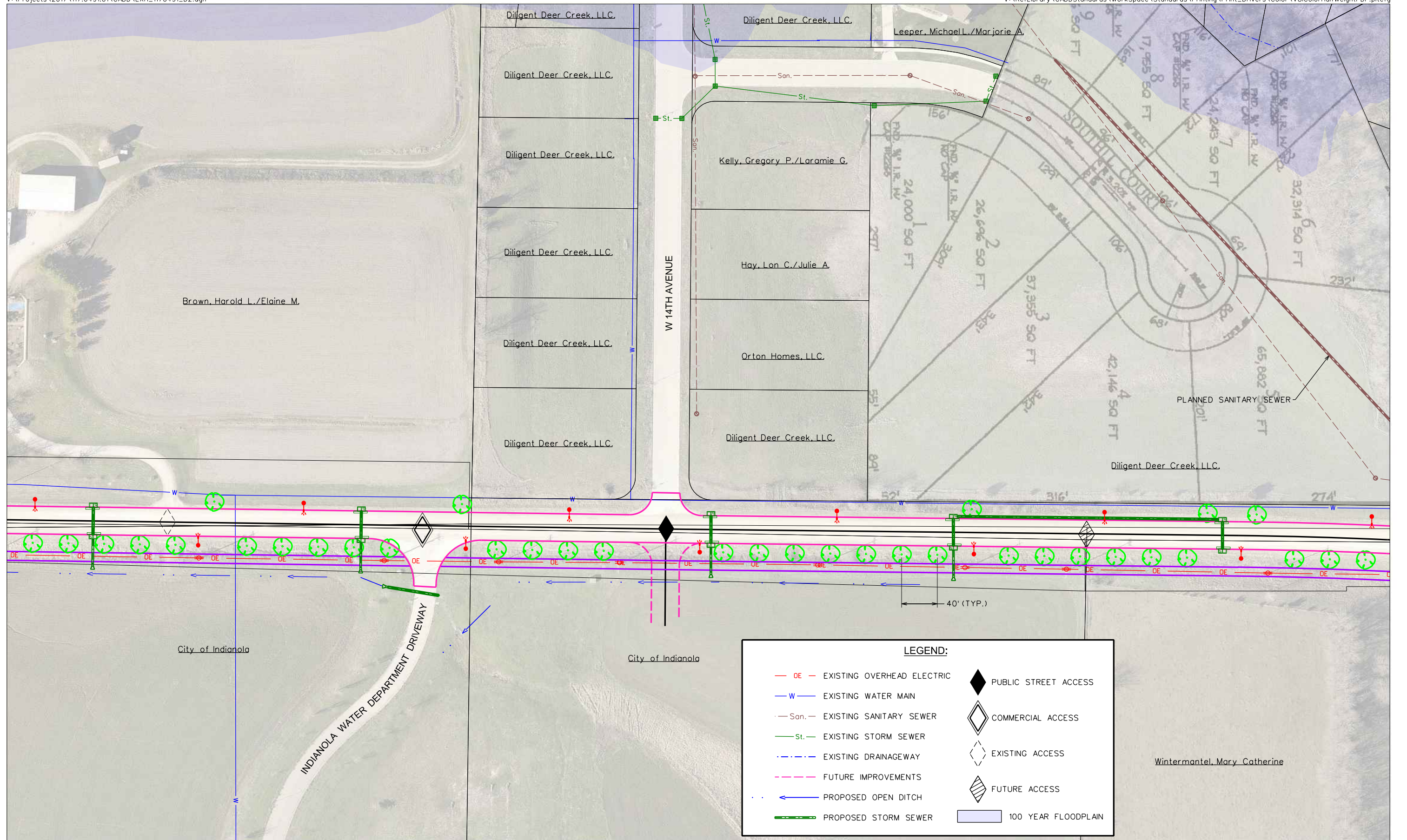


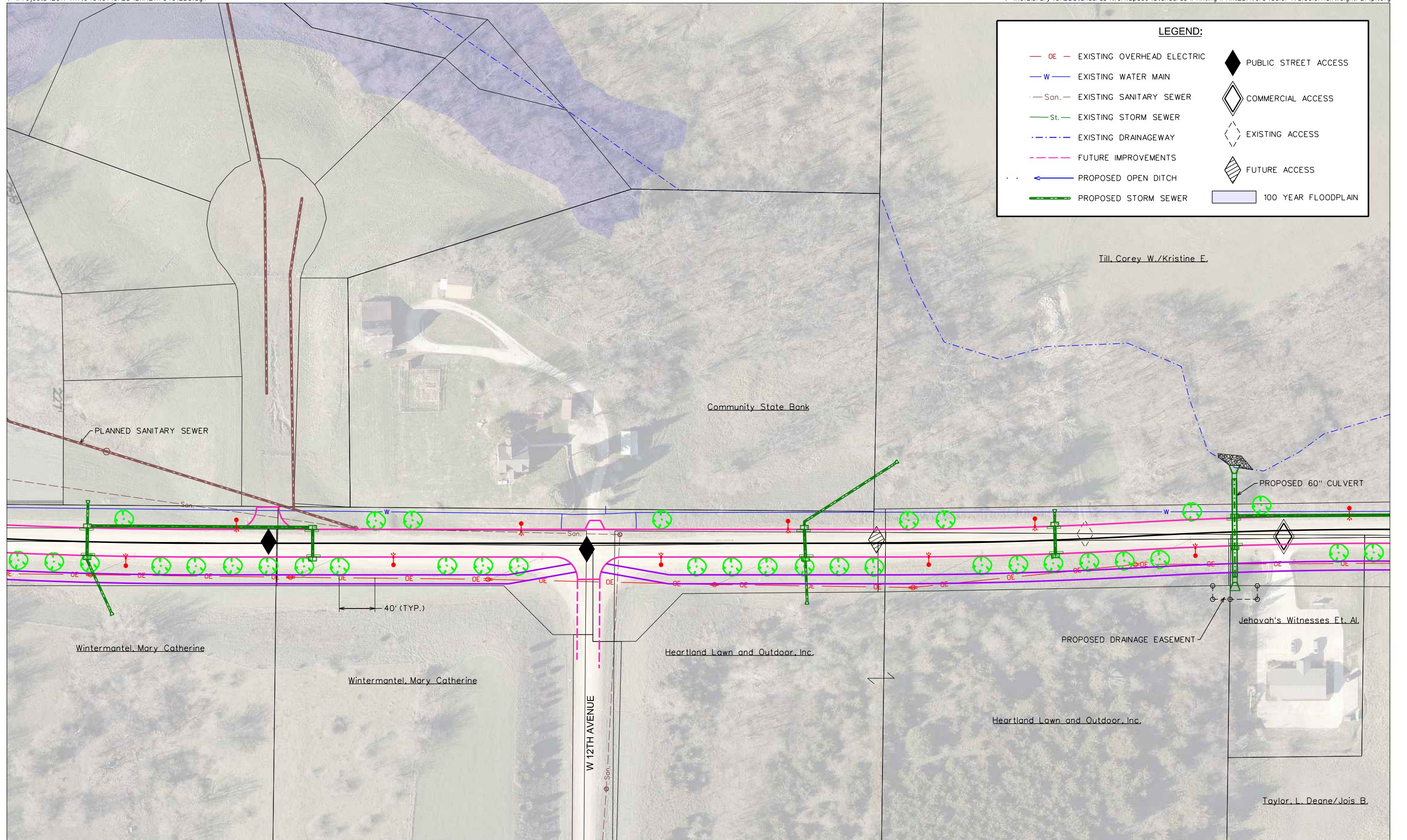
K Street Interpretation

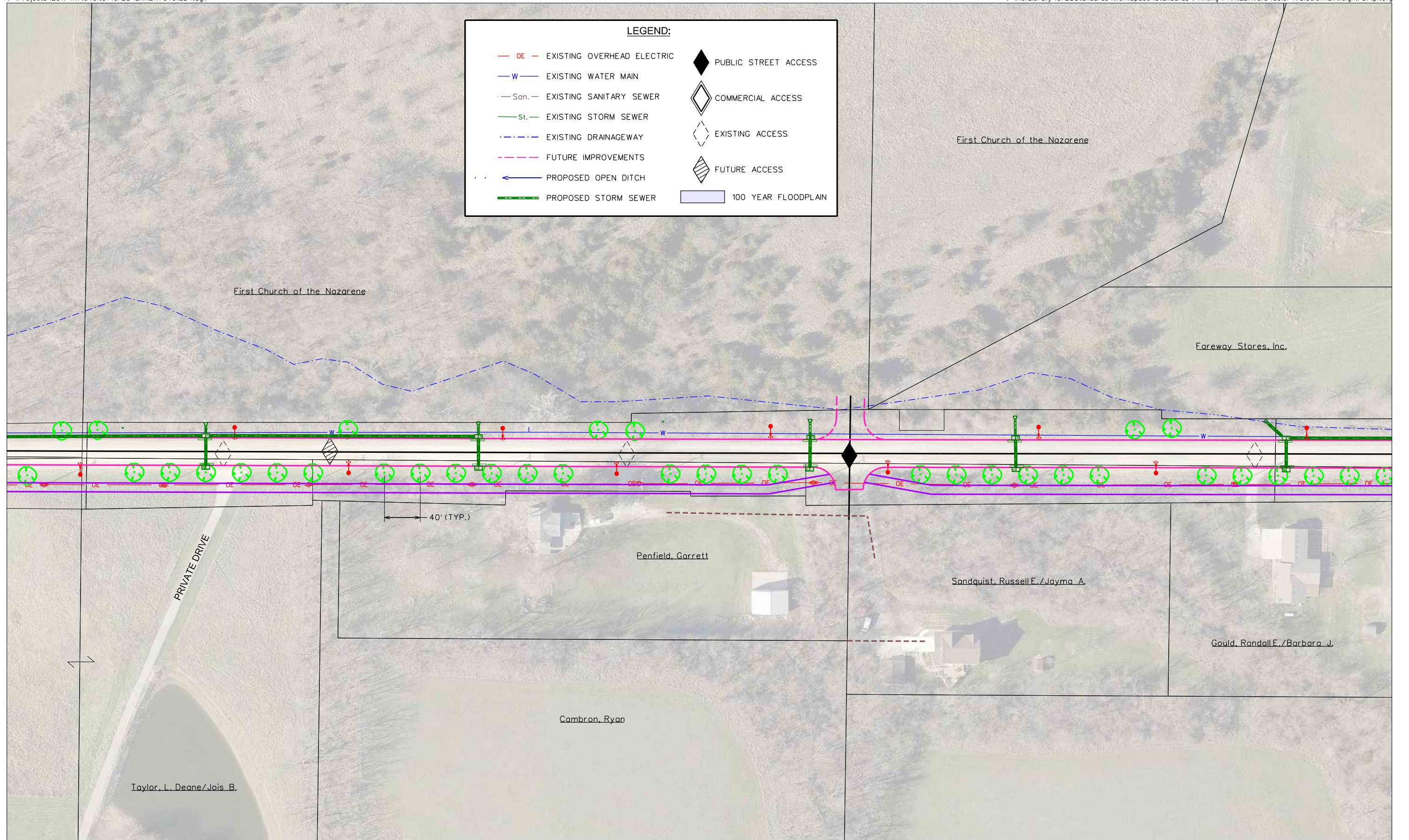
- 31' wide street with access control
- Consolidation of driveways and full implement with development
- Auxiliary lanes at major intersections
- Multi-use trail – east side
- Utility corridor for future buried utilities
- Street lights and trees along multi-use path
- 70'-100' right of way

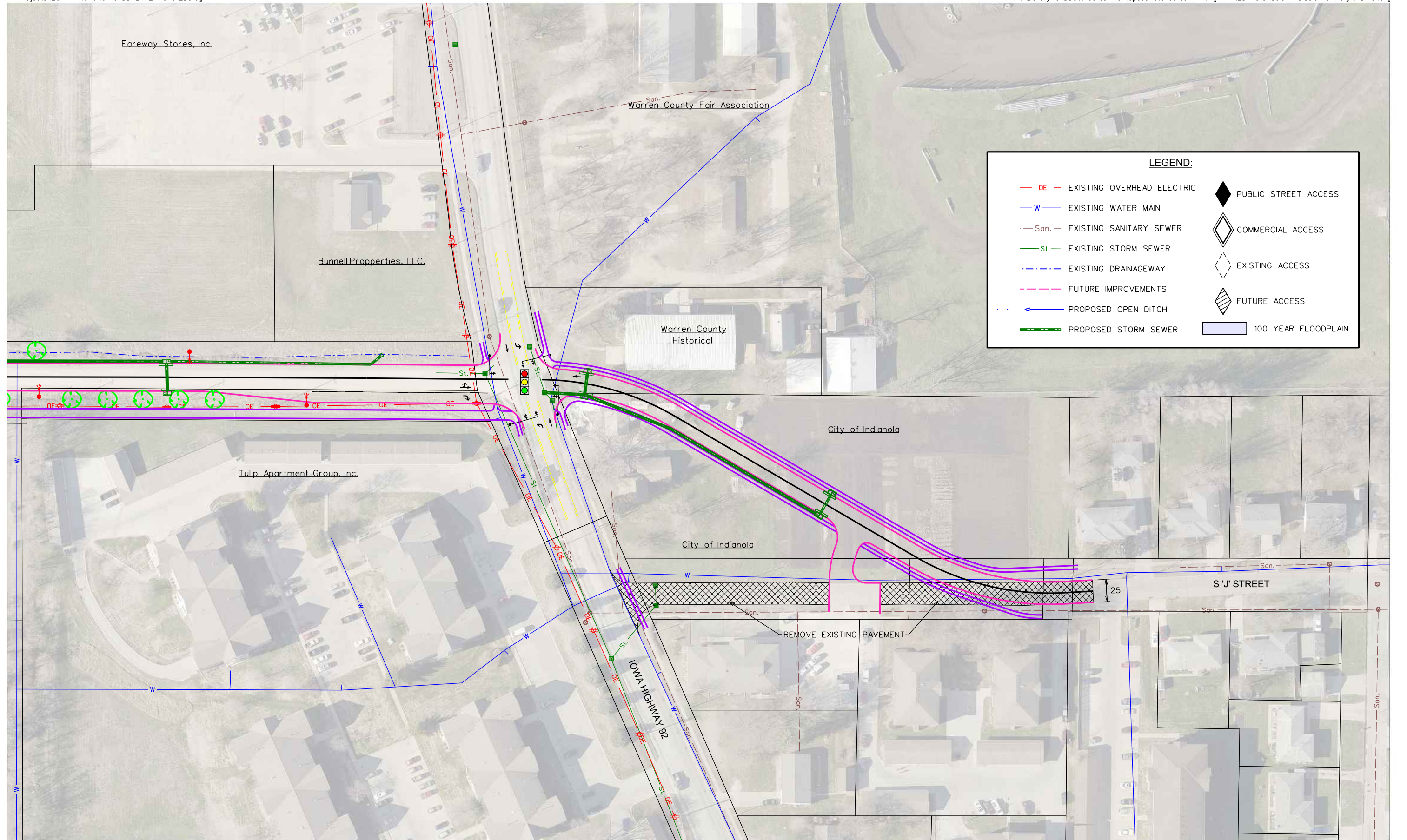
CONCEPT PLAN











COST OPINION

MAGNITUDE OPINION OF PROBABLE PROJECT COSTS - PRE-DESIGN



SOUTH K STREET
W 17TH TO IA 92
INDIANOLA, IOWA
4/10/2018
117.0491

Cost Opinion

Total Project - All Phases					
ITEM #	DESCRIPTION	QUANTITY	UNIT	UNIT PRICE	EXTENDED PRICE
EARTHWORK					
2.1	Clearing and Grubbing	11	ACRE	\$ 10,000.00	\$110,000.00
2.2	Topsoil, On-Site	5464	CY	\$ 9.00	\$49,176.00
2.3	Excavation, Class 10, Embankment In-Place	21916	CY	\$ 13.00	\$284,908.00
2.4	Subgrade Preparation	27353	SY	\$ 4.00	\$109,412.00
2.5	Subbase, 6 Inch	27120	SY	\$ 10.00	\$271,200.00
SEWERS AND DRAINS					
4.1	Storm Sewer, Trenched, RCP	3242	LF	\$ 80.00	\$ 259,360.00
4.2	Pipe Apron	19	EA	\$ 1,500.00	\$ 28,500.00
4.3	Footing for Concrete Pipe Apron	19	EA	\$ 1,000.00	\$ 19,000.00
4.4	Pipe Culvert, Trenched, RCP, 60 Inch Dia.	110	LF	\$ 300.00	\$ 33,000.00
4.5	Pipe Apron, RCP, 60 Inch.	2	EA	\$ 5,000.00	\$ 10,000.00
4.6	Footing for Concrete Pipe Apron, RCP, 60 Inch.	2	EA	\$ 2,000.00	\$ 4,000.00
4.7	Pipe Apron Guard	21	EA	\$ 1,000.00	\$ 21,000.00
STRUCTURES FOR SANITARY AND STORM					
6.1	Storm Sewer Structure	40	EA	\$ 5,500.00	\$ 220,000.00
STREETS AND RELATED WORK					
7.1	Pavement, PCC	25,581	SY	\$ 55.00	\$ 1,406,955.00
7.2	Sidewalk, PCC	627	SY	\$ 32.00	\$ 20,064.00
7.3	Shared Use Path, PCC	6,547	SY	\$ 35.00	\$ 229,145.00
7.4	Driveway, PCC	815	SY	\$ 60.00	\$ 48,900.00
7.5	Granular Surfacing on Road, Class A Crushed Stone	80	CY	\$ 25.00	\$ 2,000.00
TRAFFIC CONTROL					
8.1	Traffic Signalization (Iowa Hwy 92)	1	LS	\$ 225,000.00	\$ 225,000.00
8.2	Signing and Pavement Markings	1	LS	\$ 16,000.00	\$ 16,000.00
8.3	Traffic Control	1	LS	\$ 33,000.00	\$ 33,000.00
SITE WORK AND LANDSCAPING					
9.1	Trees, Landscaping, Restoration	1	LS	\$ 80,000.00	\$ 80,000.00
9.2	Street Lighting	34	EACH	\$ 5,000.00	\$ 170,000.00
9.3	Switchgear	4	EACH	\$ 32,250.00	\$ 129,000.00
9.4	Underground Electric	6749	LF	\$ 250.00	\$ 1,687,250.00
Subtotal:					\$ 5,467,000.00
Unquantified Items (20%+/-):					\$ 1,095,000.00
CONSTRUCTION TOTAL:					\$ 6,562,000.00
<u>Other Project Costs</u>					
Right of Way:					\$ 61,000.00
Legal, Admin, Engineering :					\$ 1,106,000.00
TOTAL PROJECT COST:					\$ 7,729,000.00

Notes

- (1) Assumes: 31' wide pavement, no change in vertical profile, urban section with storm sewer, sidewalks, and trail.
- (2) Assumes: No water main or sanitary sewer improvements.



IMPLEMENTATION PLAN

Plan Considerations

- Development and traffic growth
 - Historical growth
 - Development opportunity

Plan Considerations

- Traffic signalization and J Street realignment
 - Offset tee intersection operations
 - Signal warrant projections

Plan Considerations

- Annual maintenance costs
 - Fugitive dust
 - Rideability

Maintenance Cost	
2017	\$41,000
2018	Est. \$30,000
2019	Est \$10,000

Plan Considerations

- Potential funding and phasing
 - STP funds (\$600,000)
 - Enhancement funds (trail)
 - Local funds
 - Special assessments (local road portion only)
 - Economic development opportunities
 - Phasing by priority and need
 - 5 projects with independent utility

Project Phases & Costs

Project Phases & Cost		
Phase 1	Major culvert replacement	\$119,000.00
Phase 2	K Street, W 14 th Street – 2 nd Avenue	\$3,194,000.00
Phase 3	Relocation of J Street and signal	\$857,000.00
Phase 4	K Street, W 17 th Street – W 14 th Street	\$1,150,000.00
Phase 5	Underground electrical	\$2,409,000.00

MAGNITUDE OPINION OF PROBABLE PROJECT COSTS - PRE-DESIGN	
 SNYDER & ASSOCIATES	
SOUTH K STREET W 17TH TO IA 92 INDIANOLA, IOWA 4/10/2018 117.0491	
DESCRIPTION	TOTAL
Cost of Project Phases	
Phase 1 - Major Culvert Replacement	\$ 119,000.00
Phase 2 - K Street from West 14th Street to 2nd Avenue	\$ 3,194,000.00
Phase 3 - Relocation of J Street	\$ 857,000.00
Phase 4 - K Street from West 17th Street to West 14th Street	\$ 1,150,000.00
Phase 5 - Underground Electrical	\$ 2,409,000.00
TOTAL PROJECT COST:	\$ 7,729,000.00

Questions/Thoughts?

City Council Study Meeting

3.

Meeting Date: 04/16/2018

Information

Subject

Other items

Information

Fiscal Impact

Attachments

No file(s) attached.
