



CITY COUNCIL WORKSESSION NOTICE

TUESDAY JULY 6, 2021 6:00 P.M.

AGENDA

1. ROLL CALL

2. DISCUSSION/REVIEW ITEMS/DIRECTION TO STAFF

- a. Fence Project Cost Reimbursement Cost Consideration
- b. Trails Master Plan and 513 Oak Blvd
- c. Items from Economic Development Committee Review
 - i. Blue Sky Estates
 - ii. ATI Group
 - iii. Ballard Plaza
- d. Brick Gentry Overview of Xenia Rural Water/City of Johnston Decision

3. ADJOURNMENT

UPCOMING WORK SESSION TOPICS

Final Draft FY 22 and Long-Range CIP

Sidewalk Infill Program and Public Information Process

Personnel Committee Priorities and Organizational Chart

Derecho Event Fiscal Update

Economic Development Committee Updates and Discussion of Development Districts and
Incentives

Other Topics of Interest to Mayor and Council

For more information on this and other agenda items, please call the City Clerk's Office at 515-597-2561 or visit the Clerk's Office, City Administration Building at 515 N. Main Ave. Council agendas are available to the public at the City Clerk's Office on Monday morning preceding Tuesday's council meeting. Citizens can also request to receive meeting notices and agendas by email by calling the Clerk's Office or sending their request via email.

COUNCIL COMMUNICATION

AGENDA HEADING:

Worksession Items July 6

SUBMITTED BY:

Rita Conner, City Administrator

SYNOPSIS:

The information below summarizes the items for July 6, 2021 that staff requests Council direction on.

Fence Project Cost Reimbursement

Homeowner is Nick Sorenson, 533 Prairie Ridge Drive. Please see attached email summary between Mayor, Amy Beattie and I. Seeking Council consensus on costs reimbursement and whether there is any consensus of support for reimbursement of owner's personal labor costs.

Trails Master Plan/Oak Blvd

Follow up to the informational item presented to Council at the June 22 meeting. Homeowner is Jonathan Philgreen, home under construction is 513 Oak Blvd. Please see attached materials from the homeowner. Staff will go over the reasoning for the trail section in this area and the timeframe that looks feasible for connection to the trail on Deerwood that will come north to Oak Blvd with Plat 5 of Meadowlane next year.

Economic Development:

Please see attached materials for ATI Group, Blue Sky Estates and Ballard Plaza commercial rehabilitation.

Xenia Rural Water City of Johnston Decision

Amy Beattie will be present to review the decision and offer opinion on what impact there may be to the City of Huxley from the decision.

COUNCIL GOAL SETTING 2021 PRIORITIES

High

- Sidewalk infill
- Increase transparency-Council Chambers media, newsletter
- Development agreement structures, TIF analysis and policy
- Update Land Use and Zoning Maps
- Facility and space needs analysis
- Comprehensive Plan
- Centennial and Larson Park improvements

Status

8/3 Worksession
July newsletter, audio
In process/EDC
Completed
RFP in development
RFP in development
FY 22 and LR CIP

Moderate

- Plan for new business attraction
- Plan for development/landowners-utilities

HDC Strategic Plan
Sewer service/annex. study

Rita Conner

From: Amy Beattie <Amy.Beattie@brickgentrylaw.com>
Sent: Friday, June 25, 2021 8:46 AM
To: Rita Conner
Cc: Kevin Deaton
Subject: Re: Question on Reimbursement

Follow Up Flag: Follow up
Flag Status: Flagged

Good Morning. And it has been a good week but I am always glad when Friday comes along!

Given the unique circumstances of this matter, my opinion is that a reimbursement for the materials and equipment is a justified use of public funds. I also agree that reimbursement for "labor" when there was no fence actually built by him is harder to justify.

In the event that the Council does decide to reach an agreement with him, I suggest that we require him to sign a Release in exchange for payment. I have forms I have prepared for use with others and can get one prepared pretty quickly if you decide you need one.

Let me know if you have additional questions. Amy.

Amy S. Beattie



BRICK GENTRY PC
6701 Westown Parkway, Suite 100
West Des Moines, Iowa 50266
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F: 515-274-1488

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From: Rita Conner <rconner@huxleyiowa.org>
Date: Friday, June 25, 2021 at 8:37 AM
To: Amy Beattie <Amy.Beattie@brickgentrylaw.com>
Cc: Kevin Deaton <huxleyfirechief@gmail.com>
Subject: Question on Reimbursement

Hi Amy, hope it's been a good week.

Back in May, we had a resident submit a permit to install a 6' wood privacy fence at their home. The lot is unique in the City, a corner parcel with street frontage on three sides.

<https://beacon.schneidercorp.com/Application.aspx?AppID=165&LayerID=2145&PageTypeID=1&PageID=1110>. There is a similar lot on the west end of the block that the City permitted a 4' chain link fence for in 2017.

When the permit was submitted in May, we reviewed and had PD go out and check the vision clearance triangle required by the code. All looked good to go, so we issued the permit and the owner ordered materials and began construction. CM Kuhn drove by the property and sent me an email inquiring about the location of the fence posts. Upon further review of the code, we determined the location we permitted was in error and informed the owner. He offered a code interpretation from his point of view (he's a former code official) and we discussed whether it was a candidate for ZBA review under practical difficulties. I did an initial check with Jim Nervig, but with the time involved, the owner ultimately decided to switch to a 4' chain link fence. CM Kuhn interpreted that the vision triangle was still required for chain link.

Over the last several weeks, we've been reviewing the matter with CM Kuhn's input, as well as the owner's and we brought in V & K to do some measurements and also check our code and neighboring community codes, which was supported by CM Kuhn. While there was general acknowledgement that our code probably needs some review for the subdivisions of today that don't always have true corners, and we can't change the history of the permit that was issued in 2017 without the vision triangle, we held to the interpretation to require the triangle.

The owner raised the issue of his sunk costs for materials and time early on, and I said that we could review for potential reimbursement. Some materials he was able to return, some he wasn't; the cost of materials and equipment rented was around \$568. He provided all of his receipts. Subsequently, he again raised the concern of his time, and I asked him to present that as well. That took the costs over \$1300, which I shared with Mayor and CM Kuhn to seek some input and direction.

We have some consensus that the initial cost for materials and equipment is fair, but the labor is not reasonable. Overall, this is a very rare occurrence in our processes, which hum along in a standard fashion 99% of the time. I have not been viewing this as setting a precedent, but of course anything we do should be viewed with that in mind.

- What is your opinion on providing a reimbursement for the material and equipment rental cost, and what type of agreement should we pursue if this is to go forward?
- I have this on for a Council worksession in July to get some additional direction before submitting anything to Council claims, but would like your opinion before that discussion.

Thanks in advance for your advisement.

Rita Conner
City Administrator
City of Huxley
515 North Main Avenue
Huxley, Iowa 50124
rconner@huxleyiowa.org

Rita Conner

From: Jonathan Philgreen <jonathan.philgreen@gmail.com>
Sent: Thursday, July 1, 2021 1:06 PM
To: Rita Conner
Cc: Scott Renaud
Subject: 513 Oak Documents, drawings, and reasoning
Attachments: Rita Email sidewalk location.pdf; sidewalk questions 2.pdf; 2020-10-27 20-040 Philgreen Custom Home site plan .pdf; 2020-12-11 20-040 Philgreen Custom Home site plan.pdf; 2021-03-17 Grading Plan No 4 Ver 2.pdf; 2021-03-17 Grading Plan No 4.pdf; 2010-10-06 Philgreen Custom Home Site Plan.pdf

Follow Up Flag: Follow up
Flag Status: Flagged

Hi Rita,

As mentioned over the phone, here is some of the reasoning for why a sidewalk one foot off a 20' ROW in my case does not make sense, and documents/drawings pertaining.

Reasons why the sidewalk on 513 Oak Blvd. should be 5' back of curb:

1. We have consistently demonstrated intention to have the south edge of the sidewalk be 5' off curb, with the exception of one ambiguous architectural site plan document used in the permitting process. The plan to have the sidewalk 5' off curb was discussed numerous times prior to construction, over the phone, in emails, and in the ZBA meeting. These communications directly affected our decision making about the layout and placement of the house. Please see attached documents. The one ambiguous document, dated October 6, 2020 had two dotted lines demonstrating a schematic representation for a sidewalk, with no dimensions or specific placement, so that the details could be worked out with city. Worried about this very situation, I had the drawings changed, in the very next iteration, to communicate it accurately (in October), to be aligned what has always been what I believed to be my agreement with the City, Jeff Peterson, the ZBA, etc. Unfortunately, this document has repeatedly been pointed to as the one we must use despite all other communication to the contrary and to pre, and post permitting communication with City staff.
2. Assuming a desire to be consistent, having the north edge of the sidewalk 19' BOC on the neighboring properties will require eliminating a large tree on the property to the east, and two large trees on the corner of Ashwood and Oak. There are significant slope issue for all adjacent properties so moving the sidewalk farther from the curb results in significant cutting or filling of the adjacent properties.
3. The properties which have existing sidewalk to the west (from my house to Timberlane) have it placed 5' off back of curb. These driveways were installed by the City as part of the construction of Oak Blvd. many years ago.
4. The houses directly neighboring mine at 513 Oak, do not have the sidewalk right of way built into their lot and are going to require negotiations. The least intrusive option in their situation is to have a sidewalk at 5' of curb, lining up with their existing driveway cuts.
5. In the process of making this lot buildable, ZBA granted that the front building setback could be decreased. This was done under the understanding that the sidewalk would be put 5' off curb. The sidewalk location was discussed in the meeting. The only unresolved item from the ZBA is whether a bike path would be required at some point in the near or distant future in lieu of a sidewalk.
6. Placing the north edge of the sidewalk at 19' makes this house closer to the sidewalk than any other house I am aware of in Huxley.
7. Placing the north edge of the sidewalk at 19' makes minimal space for parking on a street where parking in the street is not

permitted.

8. A sidewalk that close to the house, abnormal in Huxley, in my opinion will look terrible.

Regarding not pouring any walkway concrete to wait for a decision regarding bike path on Oak. There has been little public discussion of the bike path plan. The plan is not approved by Council and not funded. The adjacent property owners do not have to pay for a sidewalk or bike path as their homes predate sidewalk/bike path requirements.

For clarity, what is my desired result?

I would like to build my 5' sidewalk at 5' off the curb location as was originally agreed upon and communicated.

Thanks for you time and attentions. I hope we can resolve this quickly.

Jonathan Philgreen

PS. Attached are the following documents / drawings

1. Site plan October 6, 2020
2. Site plan October 27, 2020
3. Site plan December 11, 2020
4. Site plan related to grading (demonstrating placement of sidewalk) March 17, 2021
5. Site plan related to grading (demonstrating placement of sidewalk) March 24, 2021
6. Email with Rita Connor, Scott Renaud, Jeff Peterson, Heather Denger
7. Photo noting locations of trees and sidewalks pertinent to the discussion
8. Photo of tree on property to the east (not small and in reasonable shape post Derecho)

October 27, 2020
December 11, 2020
March 17, 2021



CITY COUNCIL COMMUNICATION

AGENDA HEADING:

Follow Up Review with Van Houweling, CD II Economic Development Assistance Proposal

SUBMITTED BY

Rita Conner, City Administrator

SYNOPSIS:

Van Houweling, CD II (Don Von Houweling, 14427 Wilden Drive Urbandale, Iowa 50323) has proposed the development of 37 single family residential lots on an estimated 33.17 acres east of 560th Avenue and north of the Blue Sky Commons Business Park. The Heart of Iowa Trail is generally at the northern boundary of the property. The developer has been requested to include construction of curb, gutter and storm sewer along 560th Avenue adjacent to the development. Also discussed has been the addition of granular subbase and subdrains for the internal street. Sidewalk/trail on 560th Avenue should also be contemplated, in accordance with the City's Trails Master Plan.

The total cost estimate for the project has been requested from the development team and will be provide at the worksession. Staff and V &K have reviewed the cost estimates for the 560th work, which are the basis for Van Houweling, CD II's current request for \$400,000 in project generated tax increment (TIF).

Additional information is below and in the attachments.

FISCAL IMPACT:

Amount: \$400,000 rebate grant based on the developer's up-front cash investment and the project's generation of new taxable valuation over a term of 8 years (the project would normally have up to 20 years to receive rebated increment under an Urban Renewal Plan/TIF District)

Funding Source: Project generated tax increment

ADDITIONAL INFORMATION:YES

- Developer cost estimate table is attached. Staff and V & K have discussed these estimated costs with the development team.
- City TIF cash flow table is attached.
 - Assumptions include 37 new units with a valuation of \$475,000 per unit
 - Current valuation=\$; 47,400 ; Future valuation estimate =\$17.6M
 - Available TIF from the project=\$1,965,525
 - TIF to Low-Moderate income set aside=\$786,210 (40%)
 - To project= \$400,000 (24%-66% over 8-year term)
 - Surplus to City during 8-year rebate term=\$291,323
 - TIF collection to City in years 8-20 after rebate term=Estimated \$1,992,640

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:

CITY COUNCIL COMMUNICATION

Direct City Administrator to:

- Work with legal counsel on development agreement draft and preparation of Urban Renewal Plan/TIF District
- Council review and action on Final Development Agreement and Urban Renewal Plan hearings and approvals, including taxing entities consultation
- Rezoning of property per Comprehensive Plan
- Review of construction drawings and construction of improvements
- Review of Final Plat and recording

PRELIMINARY OPINION OF PROBABLE CONSTRUCTION COST
BLUE SKY ESTATES
CURB AND GUTTER SECTION ON 560TH AVENUE
9-INCH DEPTH x 42-INCH WIDTH
HUXLEY, IOWA
JUNE 29, 2021



S&A Project No. 121.0211.01

| ITEM | DESCRIPTION | QUANTITY | UNIT PRICE | EXTENSION |
|-------------------------------------|---|----------|-------------|---------------------|
| SECTION 1 - EARTHWORK | | | | |
| 1.1. | Earthwork | 1 LS | \$15,000.00 | \$15,000.00 |
| 1.2. | Silt Fence | 1,500 LF | \$3.50 | \$5,250.00 |
| 1.3. | Subgrade Preparation, 6 inches | 870 SY | \$3.50 | \$3,045.00 |
| 1.4. | Granular Subbase, 6 inches | 870 SY | \$15.00 | \$13,050.00 |
| 1.5. | Storm Water Erosion Management | 1 EA | \$3,000.00 | \$3,000.00 |
| 1.6. | Seeding, Fertilizing and Mulch | 1.2 AC | \$5,000.00 | \$6,000.00 |
| 1.7. | Existing Utility Adjustment | 1 LS | \$15,000.00 | \$15,000.00 |
| 1.8. | Traffic Control | 1 LS | \$15,000.00 | \$15,000.00 |
| TOTAL SECTION 1 | | | | \$75,345.00 |
| SECTION 2 - STORM SEWER | | | | |
| 2.1. | 15-inch RCP Storm Sewer | 270 LF | \$55.00 | \$14,850.00 |
| 2.2. | 18-inch RCP Storm Sewer | 445 EA | \$70.00 | \$31,150.00 |
| 2.3. | 24-inch RCP Storm Sewer | 290 LF | \$90.00 | \$26,100.00 |
| 2.4. | Storm Sewer Intake | 6 EA | \$7,000.00 | \$42,000.00 |
| 2.5. | Storm Sewer Manhole, 84-inch | 2 EA | \$15,000.00 | \$30,000.00 |
| 2.6. | Connection to Existing 48-inch Storm Sewer | 2 EA | \$3,500.00 | \$7,000.00 |
| 2.7. | Televise Storm Sewer | 1,005 LF | \$2.50 | \$2,512.50 |
| TOTAL SECTION 2 | | | | \$123,612.50 |
| SECTION 3 - PAVEMENT | | | | |
| 3.1. | 9-inch depth Non-Reinforced P.C.C. Curb and Gutter (3.5-foot width) | 1,423 LF | \$60.00 | \$85,380.00 |
| TOTAL SECTION 3 | | | | \$85,380.00 |
| SUBTOTAL | | | | \$284,337.50 |
| CONTINGENCY (+/- 20%) | | | | \$60,662.50 |
| ENGINEERING AND STAKING | | | | \$25,000.00 |
| TOTAL PROJECTED PROJECT COST | | | | \$370,000.00 |

This opinion of probable cost was completed using preliminary plat layout. Snyder & Associates, Inc. is not responsible for any discrepancies between this assumed layout and quantities and the actual bids of the final plans and final quantities.

| A | B | C | D | E | F | G | H | I | J | K | L | M | N | O | P | Q | R | S | T |
|---|---------------------|---|----|---------|----------------------|--|---|---------------------------------|---|---|--|--|-----------------------------------|-------------------------------------|-----------------------------------|---------------------------------------|--|---|---|
| Assumed Increment Valuation Growth: 0.00% | | | | | ESTIMATED [I less J] | | | | | [for LMI] | | [Available for rebate] | | Total TIF | | | | | |
| Table 1. TIF Cash Flow | | INCREMENT VALUATION [Regular Valuation Only] | | | | TOTAL ESTIMATED VALUATION AND INCREMENT | | | | TIF LEVIES and RESULTING TIF REVENUE | | | | POTENTIAL LMI and REBATE PAYMENT | | | TOTAL TIF | NET TIF | |
| Assessment / Fiscal Year | | Assumed to be in One Phase | | | | Increment 100% Assessment | Taxable Valuation After Rollback | Taxable Valuation for LMI | Net Taxable Valuation for Rebate | Net Tax Levy for TIF | Estimated TIF Revenue for LMI | Estimated Net TIF Revenue After LMI | Total Estimated TIF Revenue | LMI Set-Aside | Rebate Payment to Developer | Rebate as % of TIF Available | ESTIMATED ANNUAL TIF PAYMENTS | Annual TIF Surplus / (Deficit) | |
| | | [Cumulative] | | | | 56.40940% | | 40.00000% | 60.00000% | [per \$1,000] | [M + N] | | | 40.00000% | [after LMI] [Q / N] | | [P + Q] | [O less P & Q] | |
| | FY 2022-23 1/1/2021 | | | | | | | | | \$28.10561 | | | | | | | | | |
| 1 | FY 2023-24 1/1/2022 | 5 | 5 | 475,000 | 2,375,000 | 2,375,000 | 1,339,723 | 535,889 | 803,834 | \$28.10561 | 15,061 | 22,592 | 37,654 | 15,061 | 15,061 | 66.664% | | 7,531 | |
| 2 | FY 2024-25 1/1/2023 | 5 | 10 | 475,000 | 4,750,000 | 4,750,000 | 2,679,447 | 1,071,779 | 1,607,668 | \$28.10561 | 30,123 | 45,184 | 75,307 | 30,123 | 30,123 | 66.667% | | 15,061 | |
| 3 | FY 2025-26 1/1/2024 | 4 | 14 | 475,000 | 6,650,000 | 6,650,000 | 3,751,225 | 1,500,490 | 2,250,735 | \$28.10561 | 42,172 | 63,258 | 105,430 | 42,172 | 42,172 | 66.666% | | 21,086 | |
| 4 | FY 2026-27 1/1/2025 | 4 | 18 | 475,000 | 8,550,000 | 8,550,000 | 4,823,004 | 1,929,201 | 2,893,802 | \$28.10561 | 54,221 | 81,332 | 135,553 | 54,221 | 54,221 | 66.666% | | 27,111 | |
| 5 | FY 2027-28 1/1/2026 | 4 | 22 | 475,000 | 10,450,000 | 10,450,000 | 5,894,782 | 2,357,913 | 3,536,869 | \$28.10561 | 66,271 | 99,406 | 165,676 | 66,271 | 66,217 | 66.613% | | 33,189 | |
| 6 | FY 2028-29 1/1/2027 | 3 | 25 | 475,000 | 11,875,000 | 11,875,000 | 6,698,616 | 2,679,447 | 4,019,170 | \$28.10561 | 75,307 | 112,961 | 188,269 | 75,307 | 73,907 | 65.427% | | 39,054 | |
| 7 | FY 2029-30 1/1/2028 | 3 | 28 | 475,000 | 13,300,000 | 13,300,000 | 7,502,450 | 3,000,980 | 4,501,470 | \$28.10561 | 84,344 | 126,517 | 210,861 | 84,344 | 84,344 | 66.666% | | 42,173 | |
| 8 | FY 2030-31 1/1/2029 | 3 | 31 | 475,000 | 14,725,000 | 14,725,000 | 8,306,284 | 3,322,514 | 4,983,770 | \$28.10561 | 93,381 | 140,072 | 233,453 | 93,381 | 33,955 | 24.241% | | 106,117 | |
| 9 | FY 2031-32 1/1/2030 | 3 | 34 | 475,000 | 16,150,000 | 16,150,000 | 9,110,118 | 3,644,047 | 5,466,071 | \$28.10561 | 102,418 | 153,627 | 256,045 | 102,418 | | 0.000% | | 153,627 | |
| 10 | FY 2032-33 1/1/2031 | 3 | 37 | 475,000 | 17,575,000 | 17,575,000 | 9,913,952 | 3,965,581 | 5,948,371 | \$28.10561 | 111,455 | 167,183 | 278,638 | 111,455 | | 0.000% | | 167,183 | |
| 11 | FY 2033-34 1/1/2032 | | 37 | 475,000 | 17,575,000 | 17,575,000 | 9,913,952 | 3,965,581 | 5,948,371 | \$28.10561 | 111,455 | 167,183 | 278,638 | 111,455 | | 0.000% | | 167,183 | |
| 12 | FY 2034-35 1/1/2033 | | | | | - | - | - | - | \$28.10561 | - | - | - | - | - | - | | | |
| 13 | FY 2035-36 1/1/2034 | | | | | - | - | - | - | \$28.10561 | - | - | - | - | - | - | | | |
| 14 | FY 2036-37 1/1/2035 | | | | | - | - | - | - | \$28.10561 | - | - | - | - | - | - | | | |
| 15 | FY 2037-38 1/1/2036 | | | | | - | - | - | - | \$28.10561 | - | - | - | - | - | - | | | |
| | | | | | | | | | | 786,210 | 1,179,315 | 1,965,525 | 786,210 | 400,000 | | | | 779,315 | |

Net TIF Not Rebated
[nor LMI Set Aside]

| Table 2. Calculation of Consolidated Net Levy for TIF | | | |
|---|------------|-------------------------------|----------------------|
| | Total Levy | Less: D/S, PPEL & Inst. Supp. | Net Tax Levy for TIF |
| Ballard Schools | \$19.60717 | (\$6.67756) | \$12.92961 |
| Story County | 5.02778 | (0.02585) | \$5.00193 |
| City of Huxley | 11.85000 | (3.75000) | \$8.10000 |
| County Ag Extension | 0.07960 | - | \$0.07960 |
| County Assessor | 0.44753 | - | \$0.44753 |
| County Hospital | 0.90891 | - | \$0.90891 |
| Des Moines Area C.C. | 0.63533 | - | \$0.63533 |
| State (Bruc./Tub.) | 0.00270 | - | \$0.00270 |
| | \$38.55902 | (\$10.45341) | \$28.10561 |

[based on FY 2020-21 tax levies]

| Table 3 - Assumptions | |
|---|--|
| Summary of Inputs and Assumptions | |
| 1. First homes are completed (construction) by January 1, 2022 [FY 2023-24]. | |
| 2. Assumes LMI % is reduced to 40.00%. | |
| 3. Developer-provided estimated average valuation per home of \$475,000 [100% valuation, before rollback] | |
| 4. Developer-provided estimated "pace" of build-out. | |
| 5. Valuation is "rolled back" to 56.40940% (residential rollback). | |
| 6. Assumes Consolidated Levy for TIF Revenue of \$28.10561 per \$1,000 | |
| 7. Assuming one phase of housing build-out | |
| 8. Total TIF rebate to developer is capped at \$ | |
| [subject to City Council and City Staff review] | |

| Table 4 - Developer Request | |
|--|--|
| Summary of Request | |
| 1. Assumes total TIF rebate to developer of \$400,000 [subject to City Council and City Staff review] | |
| 2. Reflects total estimated TIF revenue over 11 years of \$1,965,525. Developer rebate \$ 400,000 is approximately 20.35% of total available TIF revenue | |

COUNCIL COMMUNICATION

AGENDA HEADING:

Follow Up Review with ATI Group Economic Development Assistance Proposal

SUBMITTED BY:

Rita Conner, City Administrator

SYNOPSIS:

ATI Group (BJ Stokesbary 110 SE Grant Street Suite 101 Ankeny, Iowa 50021) has proposed a 152-lot residential subdivision on approximately 46 acres of land between 560th Avenue, East 1st Street and Oak Bend Road. The project would include a variety of product types following the team's review of the Story County Housing Needs Assessment. The developer has been requested to extend Oak Blvd. 1400 feet to 560th and conduct 1300 feet of street improvements to 560th in conjunction with the residential development project.

The total cost estimate for the project is \$9,571,478. Staff and V &K have reviewed the cost estimates for the Oak Blvd and 560th work, which are the basis for ATI Group's request for \$2M in project generated tax increment (TIF).

Additional information is below and in the attachments.

FISCAL IMPACT:

Amount: \$2,000,000 rebate grant based on the developer's up-front cash investment and the project's generation of new taxable valuation over a term of 11 years (the project would normally have up to 20 years to receive rebated increment under an Urban Renewal Plan/TIF District)

Funding Source: Project generated tax increment

ADDITIONAL INFORMATION:

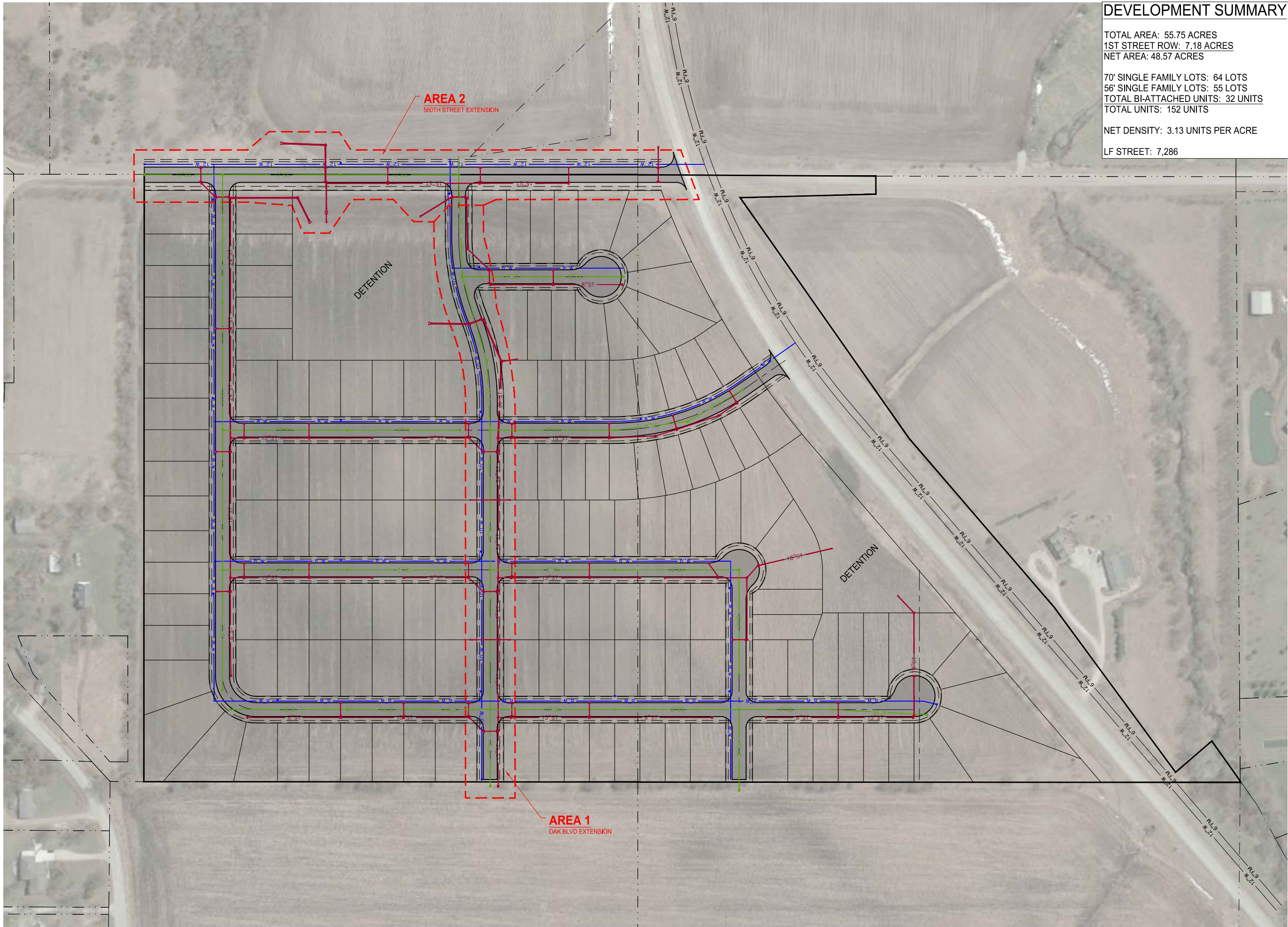
- Developer cost estimate table is attached. Staff and V & K have discussed these estimated costs with the development team, citing questions that elements of the work included would be necessary for the development and should not be considered as extraordinary development costs. The development team has offered that their reasonable rate of return for the total investment is impacted by the inability to sell lots on the frontages of the two streets they would improve.
- City TIF cash flow table is attached.
 - Assumptions include 152 new units with a valuation of \$325,000 per unit
 - Current valuation=\$71,000; Future valuation estimate =\$49.4M
 - Available TIF from the project=\$5,332,959
 - TIF to Low-Moderate income set aside=\$2,133,183 (40%)
 - To project= \$2,000,000 (53%-65% over 11-year term)
 - Surplus to City during 11-year rebate term=\$1,199,775
 - TIF collection to City in years 12-20 after rebate term=Estimated \$2.8M

COUNCIL COMMUNICATION

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:

Direct City Administrator to:

- Work with legal counsel on annexation process, development agreement draft and preparation of Urban Renewal Plan/TIF District
- Council review and action on Final Development Agreement, annexation and Urban Renewal Plan hearings and approvals, including taxing entities consultation
- Rezoning of property per Comprehensive Plan
- Review of construction drawings and preliminary plat /master plan materials



DEVELOPMENT SUMMARY

TOTAL AREA: 55.75 ACRES
1ST STREET ROW: 7.18 ACRES
NET AREA: 48.57 ACRES

70' SINGLE FAMILY LOTS: 64 LOTS
56' SINGLE FAMILY LOTS: 55 LOTS
TOTAL BI-ATTACHED UNITS: 32 UNITS
TOTAL UNITS: 152 UNITS

NET DENSITY: 3.13 UNITS PER ACRE

LF STREET: 7,286

McCLURE™
making *lives* better

1360 NW 121ST. Street
Clive, Iowa 50325
515-964-1229
fax 515-964-2370

NOTICE:
McClure Engineering Company waives any and all responsibility and liability for problems which arise from failure to follow these Plans, Specifications, and the engineering intent they convey, or for problems which arise from failure to obtain and/or follow the engineers guidance with respect to any errors, omissions, inconsistencies, ambiguities, or conflicts which are alleged.

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CONCEPT 2



NORTH



HUXLEY DEVELOPMENT

HUXLEY, IA

JUNE 16, 2021

REVISIONS
.
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.
.

ENGINEER
J BECKER



DRAWN BY
J BECKER

CHECKED BY
J BECKER

FIELD BOOK NO.
-

DRAWING NO.
CP-02

SHEET NO.
1 / 1

| Huxley | | | | | | | | | | | |
|--|--|---|-----------|--------------------|--------------|-----------------|-----|--------------|-----------|-----|--------------|
| Huxley, Iowa | | | | | | | | | | | |
| 6/16/2021 | |   | | Area 1 Oak Blvd | | Area 2 560th | | Total | | | |
| DESCRIPTION | | UNIT COST | QUANTITY | | EXTENSION | QUANTITY | | EXTENSION | QUANTITY | | EXTENSION |
| GENERAL AND MISC | | | | | | | | | | | |
| MOBILIZATION | | \$ 15,000.00 | 0.5 | EA | \$ 7,500 | 0.5 | EA | \$ 7,500 | 1 | EA | \$ 15,000 |
| TRAFFIC CONTROL | | \$ 5,000.00 | 0 | EA | \$ - | 1 | EA | \$ 5,000 | 1 | EA | \$ 5,000 |
| | | | SUB TOTAL | | \$ 7,500 | SUB TOTAL | | \$ 12,500 | SUB TOTAL | | \$ 20,000 |
| EARTHWORK | | | | | | | | | | | |
| CLEARING & GRUBBING | | \$ 8,000.00 | 0 | AC | \$ - | 1 | AC | \$ 8,000 | 1 | AC | \$ 8,000 |
| STRIP, SALVAGE, AND SPREAD TOPSOIL, 6" | | \$ 4.50 | 2500 | CY | \$ 11,250 | 2500 | CY | \$ 11,250 | 5000 | CY | \$ 22,500 |
| CLASS 13 EXCAVATION | | \$ 3.00 | 7500 | CY | \$ 22,500 | 7500 | CY | \$ 22,500 | 15000 | CY | \$ 45,000 |
| SUBGRADE PREPARATION, 12" | | \$ 3.00 | 5867 | SY | \$ 17,602 | 5243 | SY | \$ 15,728 | 11110 | SY | \$ 33,330 |
| SHOULDERING | | \$ 241.00 | 27 | STA | \$ 6,507 | 28 | STA | \$ 6,748 | 55 | STA | \$ 13,255 |
| | | | SUB TOTAL | | \$ 57,859 | SUB TOTAL | | \$ 64,226 | SUB TOTAL | | \$ 122,085 |
| SANITARY SEWER | | | | | | | | | | | |
| PVC SANITARY SEWER (GRAVITY) 8" | | \$ 45.00 | 210 | LF | \$ 9,450 | 0 | LF | \$ - | 210 | LF | \$ 9,450 |
| PVC SANITARY SEWER (GRAVITY) 10" | | \$ 54.00 | 1364 | LF | \$ 73,656 | 750 | LF | \$ 40,500 | 2114 | LF | \$ 114,156 |
| PVC SANITARY SEWER SERVICE 4" | | \$ 1,200.00 | 0 | EA | \$ - | 0 | EA | \$ - | 0 | EA | \$ - |
| SANITARY SEWER EXTRA DEPTH 15' - 20' | | \$ 7.00 | 150 | LF | \$ 1,050 | 150 | LF | \$ 1,050 | 300 | LF | \$ 2,100 |
| SANITARY SEWER EXTRA DEPTH 20' - 25' | | \$ 15.00 | 150 | LF | \$ 2,250 | 150 | LF | \$ 2,250 | 300 | LF | \$ 4,500 |
| 48" SW-401 MANHOLE | | \$ 4,500.00 | 6 | EA | \$ 27,000 | 5 | EA | \$ 22,500 | 11 | EA | \$ 49,500 |
| MANHOLE ADJUSTMENT | | \$ 1,000.00 | 0 | EA | \$ - | 0 | EA | \$ - | 0 | EA | \$ - |
| CONNECTION TO EXISTING MANHOLE | | \$ 3,000.00 | 0 | EA | \$ - | 1 | EA | \$ 3,000 | 1 | EA | \$ 3,000 |
| DROP CONNECTION, 10-15' | | \$ 10,000.00 | 0 | EA | \$ - | 0 | EA | \$ - | 0 | EA | \$ - |
| CONNECTION TO EXISTING STUB | | \$ 2,000.00 | 0 | EA | \$ - | 0 | EA | \$ - | 0 | EA | \$ - |
| | | | SUB TOTAL | | \$ 113,406 | SUB TOTAL | | \$ 69,300 | SUB TOTAL | | \$ 182,706 |
| STORM SEWER | | | | | | | | | | | |
| 15" RCP | | \$ 52.00 | 870 | LF | \$ 45,240 | 630 | LF | \$ 32,760 | 1500 | LF | \$ 78,000 |
| 18" RCP | | \$ 54.00 | 490 | LF | \$ 26,460 | 213 | LF | \$ 11,502 | 703 | LF | \$ 37,962 |
| 24" RCP | | \$ 65.00 | 420 | LF | \$ 27,300 | 189 | LF | \$ 12,285 | 609 | LF | \$ 39,585 |
| 30" RCP | | \$ 88.00 | 0 | LF | \$ - | 172 | LF | \$ 15,136 | 172 | LF | \$ 15,136 |
| 36" RCP | | \$ 122.00 | 389 | LF | \$ 47,458 | 377 | LF | \$ 45,994 | 766 | LF | \$ 93,452 |
| 15" RCP FES W/ GUARD | | \$ 1,700.00 | 4 | EA | \$ 6,800 | 1 | EA | \$ 1,700 | 5 | EA | \$ 8,500 |
| 18" RCP FES W/ GUARD | | \$ 1,800.00 | 0 | EA | \$ - | 1 | EA | \$ 1,800 | 1 | EA | \$ 1,800 |
| 24" RCP FES W/ GUARD | | \$ 2,000.00 | 0 | EA | \$ - | 1 | EA | \$ 2,000 | 1 | EA | \$ 2,000 |
| 30" RCP FES W/GUARD | | \$ 2,500.00 | 0 | EA | \$ - | 0 | EA | \$ - | 0 | EA | \$ - |
| 36" RCP FES W/ GUARD | | \$ 3,600.00 | 1 | EA | \$ 3,600 | 2 | EA | \$ 7,200 | 3 | EA | \$ 10,800 |
| 8" PVC FOOTING DRAIN | | \$ 33.00 | 50 | LF | \$ 1,650 | 0 | LF | \$ - | 50 | LF | \$ 1,650 |
| 4" PVC STORM SEWER SERVICE | | \$ 900.00 | 0 | EA | \$ - | 0 | EA | \$ - | 0 | EA | \$ - |
| TYPE SW-401, 48" | | \$ 3,100.00 | 6 | EA | \$ 18,600 | 0 | EA | \$ - | 6 | EA | \$ 18,600 |
| TYPE SW-401, 60" | | \$ 5,200.00 | 2 | EA | \$ 10,400 | 2 | EA | \$ 10,400 | 4 | EA | \$ 20,800 |
| TYPE SW-401, 72" | | \$ 8,000.00 | 0 | EA | \$ - | 0 | EA | \$ - | 0 | EA | \$ - |
| INTAKE, TYPE SW-501 | | \$ 2,300.00 | 1 | EA | \$ 2,300 | 2 | EA | \$ 4,600 | 3 | EA | \$ 6,900 |
| INTAKE, TYPE SW-503 | | \$ 4,200.00 | 1 | EA | \$ 4,200 | 2 | EA | \$ 8,400 | 3 | EA | \$ 12,600 |
| INTAKE, TYPE SW-505 | | \$ 3,400.00 | 11 | EA | \$ 37,400 | 7 | EA | \$ 23,800 | 18 | EA | \$ 61,200 |
| INTAKE, TYPE SW-506 | | \$ 7,300.00 | 11 | EA | \$ 80,300 | 5 | EA | \$ 36,500 | 16 | EA | \$ 116,800 |
| INTAKE, TYPE SW-506 MODIFIED | | \$ 9,000.00 | 0 | EA | \$ - | 0 | EA | \$ - | 0 | EA | \$ - |
| INTAKE, TYPE SW-513 | | \$ 5,500.00 | 0 | EA | \$ - | 1 | EA | \$ 5,500 | 1 | EA | \$ 5,500 |
| INTAKE, TYPE SW-512 | | \$ 2,000.00 | 0 | EA | \$ - | 0 | EA | \$ - | 0 | EA | \$ - |
| INTAKE ADJUSTMENT | | \$ 1,500.00 | 0 | EA | \$ - | 0 | EA | \$ - | 0 | EA | \$ - |
| RIPRAP | | \$ 50.00 | 100 | TN | \$ 5,000 | 100 | TN | \$ 5,000 | 200 | TN | \$ 10,000 |
| REMOVE STRUCTURE | | \$ 1,200.00 | 0 | EA | \$ - | 0 | EA | \$ - | 0 | EA | \$ - |
| CONNECT TO EXISTING STRUCTURE/STUB | | \$ 1,500.00 | 0 | EA | \$ - | 0 | EA | \$ - | 0 | EA | \$ - |
| | | | SUB TOTAL | | \$ 316,708 | SUB TOTAL | | \$ 224,577 | SUB TOTAL | | \$ 541,285 |
| WATERMAIN | | | | | | | | | | | |
| WATER MAIN 8" PVC | | \$ 26.00 | 283 | LF | \$ 7,358 | 0 | LF | \$ - | 283 | LF | \$ 7,358 |
| WATER MAIN 10" PVC | | \$ 34.00 | 1373 | LF | \$ 46,682 | 100 | LF | \$ 3,400 | 1473 | LF | \$ 50,082 |
| WATER MAIN 12" PVC | | \$ 40.00 | 0 | LF | \$ - | 1242 | LF | \$ 49,680 | 1242 | LF | \$ 49,680 |
| BORE | | \$ 250.00 | 0 | LF | \$ - | 90 | LF | \$ 22,500 | 90 | LF | \$ 22,500 |
| 1" WATER SERVICE | | \$ 900.00 | 0 | EA | \$ - | 0 | EA | \$ - | 0 | EA | \$ - |
| WATER MAIN TEES | | \$ 500.00 | 1 | EA | \$ 500 | 1 | EA | \$ 500 | 2 | EA | \$ 1,000 |
| WATER MAIN CROSSES | | \$ 900.00 | 3 | EA | \$ 2,700 | 1 | EA | \$ 900 | 4 | EA | \$ 3,600 |
| WATER MAIN BENDS | | \$ 750.00 | 3 | EA | \$ 2,250 | 0 | EA | \$ - | 3 | EA | \$ 2,250 |
| GATE VALVE W/ BOX 8" | | \$ 1,700.00 | 7 | EA | \$ 11,900 | 1 | EA | \$ 1,700 | 8 | EA | \$ 13,600 |
| GATE VALVE W/ BOX 10" | | \$ 2,000.00 | 4 | EA | \$ 8,000 | 2 | EA | \$ 4,000 | 6 | EA | \$ 12,000 |
| GATE VALVE W/ BOX 12" | | \$ 2,400.00 | 0 | EA | \$ - | 3 | EA | \$ 7,200 | 3 | EA | \$ 7,200 |
| TAPPING SLEEVE AND VALVE W/ BOX 8" | | \$ 4,500.00 | 0 | EA | \$ - | 0 | EA | \$ - | 0 | EA | \$ - |
| TAPPING SLEEVE AND VALVE W/ BOX 10" | | \$ 5,500.00 | 0 | EA | \$ - | 0 | EA | \$ - | 0 | EA | \$ - |
| TAPPING SLEEVE AND VALVE W/ BOX 12" | | \$ 6,500.00 | 0 | EA | \$ - | 1 | EA | \$ 6,500 | 1 | EA | \$ 6,500 |
| HYDRANT ASSEMBLY | | \$ 4,500.00 | 5 | EA | \$ 22,500 | 5 | EA | \$ 22,500 | 10 | EA | \$ 45,000 |
| | | | SUB TOTAL | | \$ 101,890 | SUB TOTAL | | \$ 118,880 | SUB TOTAL | | \$ 220,770 |
| STREETS AND RELATED WORK | | | | | | | | | | | |
| STD. OR SLIP FORM P.C.C., CLASS C, TYPE I, 7" | | \$ 46.00 | 5334 | SY | \$ 245,364 | 0 | SY | \$ - | 5334 | SY | \$ 245,364 |
| STD. OR SLIP FORM P.C.C., CLASS C, TYPE I, 8" | | \$ 50.00 | 0 | SY | \$ - | 4766 | SY | \$ 238,300 | 4766 | SY | \$ 238,300 |
| SIDEWALK RAMPS (QTY COUNTS EACH COMMON SQUARE) | | \$ 600.00 | 14 | EA | \$ 8,400 | 8 | EA | \$ 4,800 | 22 | EA | \$ 13,200 |
| DETECTABLE WARNING RAMPS (2' X 5') | | \$ 750.00 | 18 | EA | \$ 13,500 | 8 | EA | \$ 6,000 | 26 | EA | \$ 19,500 |
| DETECTABLE WARNING RAMPS (2' X 8', CAST IRON) | | \$ 1,200.00 | 8 | EA | \$ 9,600 | 6 | EA | \$ 7,200 | 14 | EA | \$ 16,800 |
| P.C.C. 5' SIDEWALK, 4" | | \$ 25.00 | 1350 | LF | \$ 33,750 | 1200 | LF | \$ 30,000 | 2550 | LF | \$ 63,750 |
| P.C.C. 8' RECREATION TRAIL, 5" | | \$ 40.00 | 1350 | LF | \$ 54,000 | 1200 | LF | \$ 48,000 | 2550 | LF | \$ 102,000 |
| PAVEMENT REMOVAL | | \$ 8.00 | 0 | SY | \$ - | 50 | SY | \$ 400 | 50 | SY | \$ 400 |
| END STREET BARRICADES | | \$ 650.00 | 1 | EA | \$ 650 | 0 | EA | \$ - | 1 | EA | \$ 650 |
| PAINTED PAVEMENT MARKINGS, SYMBOL | | \$ 400.00 | 0 | EA | \$ - | 6 | EA | \$ 2,400 | 6 | EA | \$ 2,400 |
| PAINTED PAVEMENT MARKINGS, SOLID DOUBLE YELLOW | | \$ 16.00 | 0 | LF | \$ - | 300 | LF | \$ 4,800 | 300 | LF | \$ 4,800 |
| PAINTED PAVEMENT MARKINGS, SOLID WHITE | | \$ 16.00 | 0 | LF | \$ - | 300 | LF | \$ 4,800 | 300 | LF | \$ 4,800 |
| | | | SUB TOTAL | | \$ 365,264 | SUB TOTAL | | \$ 346,700 | SUB TOTAL | | \$ 711,964 |
| EROSION CONTROL | | | | | | | | | | | |
| EROSION CONTROL SEEDING | | \$ 650.00 | 3 | AC | \$ 1,950 | 3 | AC | \$ 1,950 | 6 | AC | \$ 3,900 |
| SILT FENCE (INSTALL AND REMOVE) | | \$ 2.50 | 2700 | LF | \$ 6,750 | 2500 | LF | \$ 6,250 | 5200 | LF | \$ 13,000 |
| TEMPORARY STANDPIPE | | \$ 3,000.00 | 0 | EA | \$ - | 0 | EA | \$ - | 0 | EA | \$ - |
| INTAKE PROTECTION | | \$ 500.00 | 24 | EA | \$ 12,000 | 17 | EA | \$ 8,500 | 41 | EA | \$ 20,500 |
| | | | SUB TOTAL | | \$ 20,700 | SUB TOTAL | | \$ 16,700 | SUB TOTAL | | \$ 37,400 |
| TOTAL CONSTRUCTION | | | | | \$ 983,327 | | | \$ 852,883 | | | \$ 1,836,210 |
| 10% Construction Contingency | | | | | \$ 98,333 | | | \$ 85,288 | | | \$ 183,621 |
| 7% Engineering | | | | | \$ 68,833 | | | \$ 59,702 | | | \$ 128,535 |
| 5% Management and Admin | | | | | \$ 49,166 | | | \$ 42,644 | | | \$ 91,811 |
| TOTAL PHASE COST | | | | | \$ 1,199,659 | | | \$ 1,040,517 | | | \$ 2,240,176 |

| A | B | C | D | E | F | G | H | I | J | K | L | M | N | O | P | Q | R | S | T |
|---|---------------------|--|----------------------------|----------------------------|----------------------|---|----------------------------------|---------------------------|----------------------------------|--------------------------------------|-------------------------------|-------------------------------------|-----------------------------|----------------------------------|-----------------------------|------------------------------|-------------------------------|--------------------------------|---|
| Assumed Increment Valuation Growth: 0.00% | | | | | ESTIMATED [I less J] | | | | | [for LMI] | | [Available for rebate] | | Total TIF | | | | | |
| Table 1. TIF Cash Flow | | INCREMENT VALUATION [Regular Valuation Only] | | | | TOTAL ESTIMATED VALUATION AND INCREMENT | | | | TIF LEVIES and RESULTING TIF REVENUE | | | | POTENTIAL LMI and REBATE PAYMENT | | | TOTAL TIF | NET TIF | |
| Assessment / Fiscal Year | | Estimated New Homes Each Year | Cumulative Number of Homes | Average Valuation per Home | Total Assessment | Increment 100% Assessment Total | Taxable Valuation After Rollback | Taxable Valuation for LMI | Net Taxable Valuation for Rebate | Net Tax Levy for TIF | Estimated TIF Revenue for LMI | Estimated Net TIF Revenue After LMI | Total Estimated TIF Revenue | LMI Set-Aside | Rebate Payment to Developer | Rebate as % of TIF Available | ESTIMATED ANNUAL TIF PAYMENTS | Annual TIF Surplus / (Deficit) | |
| | | [Cumulative] | | | | 56.40940% | | 40.000000% | 60.000000% | [per \$1,000] | [M + N] | | | 40.000000% | [after LMI] [Q / N] | | [P + Q] | [O less P & Q] | |
| | FY 2022-23 1/1/2021 | | | | | | | | | \$28.10561 | | | | | | | | | |
| 1 | FY 2023-24 1/1/2022 | 15 | 15 | 325,000 | 4,875,000 | 4,875,000 | 2,749,958 | 1,099,983 | 1,649,975 | \$28.10561 | 30,916 | 46,374 | 77,289 | 30,916 | 24,938 | 53.775% | 55,853 | 21,436 | |
| 2 | FY 2024-25 1/1/2023 | 20 | 35 | 325,000 | 11,375,000 | 11,375,000 | 6,416,569 | 2,566,628 | 3,849,942 | \$28.10561 | 72,137 | 108,205 | 180,342 | 72,137 | 58,188 | 53.776% | 130,325 | 50,017 | |
| 3 | FY 2025-26 1/1/2024 | 20 | 55 | 325,000 | 17,875,000 | 17,875,000 | 10,083,180 | 4,033,272 | 6,049,908 | \$28.10561 | 113,358 | 170,036 | 283,394 | 113,358 | 91,438 | 53.776% | 204,796 | 78,598 | |
| 4 | FY 2026-27 1/1/2025 | 15 | 70 | 325,000 | 22,750,000 | 22,750,000 | 12,833,139 | 5,133,255 | 7,699,883 | \$28.10561 | 144,273 | 216,410 | 360,683 | 144,273 | 124,688 | 57.617% | 268,962 | 91,722 | |
| 5 | FY 2027-28 1/1/2026 | 15 | 85 | 325,000 | 27,625,000 | 27,625,000 | 15,583,097 | 6,233,239 | 9,349,858 | \$28.10561 | 175,189 | 262,783 | 437,972 | 175,189 | 157,938 | 60.102% | 333,127 | 104,845 | |
| 6 | FY 2028-29 1/1/2027 | 15 | 100 | 325,000 | 32,500,000 | 32,500,000 | 18,333,055 | 7,333,222 | 10,999,833 | \$28.10561 | 206,105 | 309,157 | 515,262 | 206,105 | 191,189 | 61.842% | 397,293 | 117,968 | |
| 7 | FY 2029-30 1/1/2028 | 14 | 114 | 325,000 | 37,050,000 | 37,050,000 | 20,899,683 | 8,359,873 | 12,539,810 | \$28.10561 | 234,959 | 352,439 | 587,398 | 234,959 | 224,439 | 63.682% | 459,398 | 128,000 | |
| 8 | FY 2030-31 1/1/2029 | 10 | 124 | 325,000 | 40,300,000 | 40,300,000 | 22,732,988 | 9,093,195 | 13,639,793 | \$28.10561 | 255,570 | 383,355 | 638,925 | 255,570 | 249,377 | 65.051% | 504,946 | 133,978 | |
| 9 | FY 2031-32 1/1/2030 | 12 | 136 | 325,000 | 44,200,000 | 44,200,000 | 24,932,955 | 9,973,182 | 14,959,773 | \$28.10561 | 280,302 | 420,454 | 700,756 | 280,302 | 274,314 | 65.242% | 554,617 | 146,139 | |
| 10 | FY 2032-33 1/1/2031 | 13 | 149 | 325,000 | 48,425,000 | 48,425,000 | 27,316,252 | 10,926,501 | 16,389,751 | \$28.10561 | 307,096 | 460,644 | 767,740 | 307,096 | 299,252 | 64.964% | 606,348 | 161,392 | |
| 11 | FY 2033-34 1/1/2032 | 3 | 152 | 325,000 | 49,400,000 | 49,400,000 | 27,866,244 | 11,146,497 | 16,719,746 | \$28.10561 | 313,279 | 469,919 | 783,198 | 313,279 | 304,239 | 64.743% | 617,519 | 165,679 | |
| 12 | FY 2034-35 1/1/2033 | | | | | - | - | - | - | \$28.10561 | - | - | - | - | - | - | | | |
| 13 | FY 2035-36 1/1/2034 | | | | | - | - | - | - | \$28.10561 | - | - | - | - | - | - | | | |
| 14 | FY 2036-37 1/1/2035 | | | | | - | - | - | - | \$28.10561 | - | - | - | - | - | - | | | |
| 15 | FY 2037-38 1/1/2036 | | | | | - | - | - | - | \$28.10561 | - | - | - | - | - | - | | | |
| | | | | | | | | | | | 2,133,183 | 3,199,775 | 5,332,959 | 2,133,183 | 2,000,000 | | 4,133,183 | 1,199,775 | |

Net TIF Not Rebated
[nor LMI Set Aside]

| Table 2. Calculation of Consolidated Net Levy for TIF | | | |
|---|------------|-------------------------------|----------------------|
| | Total Levy | Less: D/S, PPEL & Inst. Supp. | Net Tax Levy for TIF |
| Ballard Schools | \$19.60717 | (\$6.67756) | \$12.92961 |
| Story County | 5.02778 | (0.02585) | \$5.00193 |
| City of Huxley | 11.85000 | (3.75000) | \$8.10000 |
| County Ag Extension | 0.07960 | - | \$0.07960 |
| County Assessor | 0.44753 | - | \$0.44753 |
| County Hospital | 0.90891 | - | \$0.90891 |
| Des Moines Area C.C. | 0.63533 | - | \$0.63533 |
| State (Bruc./Tub.) | 0.00270 | - | \$0.00270 |
| | \$38.55902 | (\$10.45341) | \$28.10561 |

[based on FY 2020-21 tax levies]

| Table 3 - Assumptions | |
|---|--|
| Summary of Inputs and Assumptions | |
| 1. First homes are completed (construction) by January 1, 2022 [FY 2023-24]. | |
| 2. Assumes LMI % is reduced to 40.00%. | |
| 3. Developer-provided estimated average valuation per home of \$300,000 [100% valuation, before rollback] | |
| 4. Developer-provided estimated "pace" of build-out. | |
| 5. Valuation is "rolled back" to 56.40940% (residential rollback). | |
| 6. Assumes Consolidated Levy for TIF Revenue of \$28.10561 per \$1,000 | |
| 7. Assuming one phase of housing build-out | |
| 8. Total TIF rebate to developer is capped at \$2,000,000 | |
| [subject to City Council and City Staff review] | |

| Table 4 - Developer Request | |
|---|--|
| Summary of Request | |
| 1. Assumes total TIF rebate to developer of \$2.0 million | |
| [subject to City Council and City Staff review] | |
| 2. Reflects total estimated TIF revenue over 11 years | |
| of \$5,721,783 (see column O). \$2.0 million (requested TIF rebate) | |
| is approximately 58.257% of estimated available TIF revenue | |
| of \$3,433,070 remaining after accounting for LMI. | |

COUNCIL COMMUNICATION

AGENDA HEADING:

Follow Up Review with MR Properties dba Huxley Plaza, LLC

SUBMITTED BY:

Rita Conner, City Administrator

SYNOPSIS:

Huxley Plaza, LLC (Chris Gardner 506 East 1st Street Huxley, Iowa 50124)) has proposed a \$893,761 improvement project to the Ballard Plaza commercial business center on N. US HWY 69. The 45,472 square foot center was constructed in 1975 and purchased by Huxley Plaza, LLC in May of 2021 for \$1,825,000.

The Story County Assessor places the center's real estate condition as being between 25% and 45% economically obsolete. With the building's age and condition, as well as newer, competitive commercial retail space in nearby cities, new investment is warranted to continue to keep the Ballard Plaza real estate as competitive in the market as possible. It is prominently located along the prime commercial corridor of N US HWY 69. Providing retail services to the community, as well as increasing the center's taxable valuation, are essential.

Huxley Plaza, LLC plans to pay for the Ballard Plaza improvements up-front. The City of Huxley is requested to provide \$400,000 in total assistance. Council can consider different scenarios, including:

- Project generated TIF rebate grant from new value added only
- Project generated TIF rebate grant from new and existing value
- Varying percentages within the new and existing value categories (100% new only would be estimated at a 12.5-year rebate; 100% new and existing is estimated at 9 years)
- Scenario of less than 100% with longer terms of TIF collection
- Include land value with value added improvements
- Partial TIF rebate grant and partial TIF loan/forgivable loan specific to façade improvements
- Other scenarios proposed by Council for staff to review with the developer

A tax increment grant payment generated by the new value would begin no earlier than 2023, if the improvements are completed in 2021 for 2022 valuation assessment.

Additional information is below and in the attachments.

FISCAL IMPACT:

Amount: \$400,000

Funding Source: Project generated tax increment

ADDITIONAL INFORMATION:

- Developer cost estimate table is attached.

COUNCIL COMMUNICATION

- City TIF cash flow tables attached (one version is new value only, one is new and existing value)
 - Current valuation buildings only \$461,600; Future initial valuation estimate offered by Story County Assessor is \$1,750,00 (need formal Assessor sign off)
 - Available TIF from the project=Estimated \$486,930 over 11-year term
 - To project= \$400,000 (% of TIF depends on Council scenario selected)
 - Surplus to City during rebate term=(% of TIF depends on Council scenario selected)
 - TIF collection to City after rebate term TBD
- Project improvements are proposed to include demolition of roof, front façade and sign monuments, installation of steel awnings, brick and hardi siding improvements, utilities to two new pad sites, parking lot replacement, new security systems and other miscellaneous improvements.
- The collective intention with the City's work with the project is to recognize the distressed real estate conditions, opportunity for new investment from Huxley Plaza, LLC on one of the Council's primary corridors for spurring activity and ability to anticipate a future increase in taxable valuation through the investment using very conservative projections, and to

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:

Direct City Administrator to:

- Work with legal counsel to prepare development agreement draft
- Council review of Final Development Agreement
- Construction of Improvements
- Certificate of Completion and Council Acceptance of Project

Plaza Rehab Estimate

6.22.21

620 Hwy 69, Huxley

| Base Price and Options | Qty | Price | Total |
|---|-------|-------------|----------------------|
| Demo of Red Roof, Front Façade and sign monuments | 15 | \$ 1,600.00 | \$ 24,000.00 |
| Dumpsters/Hauling | 15 | \$ 550.00 | \$ 8,250.00 |
| Framing Material | 446 | \$ 75.00 | \$ 33,450.00 |
| Framing Labor | 15 | \$ 1,600.00 | \$ 24,000.00 |
| Steel Awnings | 24 | \$ 2,500.00 | \$ 60,000.00 |
| Thin Brick | 6251 | \$ 12.00 | \$ 75,007.30 |
| Hardi Siding Material | 3500 | \$ 4.23 | \$ 14,791.67 |
| Siding Labor | 3500 | \$ 2.50 | \$ 8,750.00 |
| Metal Caps/Flashing | 648 | \$ 20.00 | \$ 12,960.00 |
| Exterior Painting | 15072 | \$ 1.64 | \$ 24,761.14 |
| Roofing Tie In | | | \$ 9,500.00 |
| Lights and Electrical | 32 | \$ 500.00 | \$ 16,000.00 |
| Security Systems for all three buildings | | | \$ 9,500.00 |
| Miscellaneous | | | \$ 20,000.00 |
| Contingency | | | \$ 40,000.00 |
| | | | |
| | | | |
| | | | |
| Tear out and replace parking lot | 40000 | \$ 6.50 | \$ 260,000.00 |
| New Gravel for rear of buildings | 12 | \$ 475.00 | \$ 5,700.00 |
| Skid loader labor | 7 | \$ 120.00 | \$ 840.00 |
| | | | |
| New Utilities for new lots | | | \$ 165,000.00 |
| | | | |
| | | | |
| | | | |
| Sub Total | | | \$ 812,510.11 |
| | | | |
| Contracting Fee | | 10% | \$ 81,251.01 |
| | | | |
| | | | |
| | | | |
| | | | |
| Total | | | \$ 893,761.12 |
| | | | |

| | | | | | | | | | | | | | | | | | |
|---|---------------------|---|-------------------|--------|--------------------------------------|--|---|---|---|---------------------------------|-----------------------------------|-----------------------------------|---------------------------------------|--|---|--|--|
| Assumed Increment Valuation Growth: 0.00% | | | | | | | | | | | | | | | | | |
| ESTIMATED | | | | | | | | | | | | | | | | | |
| Table 1. TIF Cash Flow | | INCREMENT VALUATION (Includes Existing \$461,000) [Regular Valuation Only] | | | | TOTAL ESTIMATED VALUATION AND INCREMENT | | | TIF LEVIES and RESULTING TIF REVENUE | | | TIF Rebate Payments | | TOTAL TIF | NET TIF | | |
| Assessment / Fiscal Valuation Year Year | | Current Valuation | Gross Tax Levy | Taxes | Total Assessment After Project | Increment 100% Assessment Total | Taxable Valuation After Rollback | Net Taxable Valuation for Rebate | Net Tax Levy for TIF | Estimated Net TIF Revenue | Total Estimated TIF Revenue | Rebate Payment to Developer | Rebate as % of TIF Available | ESTIMATED ANNUAL TIF PAYMENTS | Annual TIF Surplus / (Deficit) | | |
| | | | | | | 90.00000% | | | [per \$1,000] | | | | | | | | |
| FY 2022-23 1/1/2021 | | \$ 461,600.00 | \$38.55902 | 17,799 | 461,600 | | | | \$28.10561 | | | | | | | | |
| 1 | FY 2023-24 1/1/2022 | \$ 461,600.00 | \$38.55902 | 17,799 | 1,750,000 | 1,750,000 | 1,575,000 | 1,575,000 | \$28.10561 | 44,266 | 44,266 | 25,000 | 56.476% | 25,000 | 19,266 | | |
| 2 | FY 2024-25 1/1/2023 | \$ 461,600.00 | \$38.55902 | 17,799 | 1,750,000 | 1,750,000 | 1,575,000 | 1,575,000 | \$28.10561 | 44,266 | 44,266 | 25,000 | 56.476% | 25,000 | 19,266 | | |
| 3 | FY 2025-26 1/1/2024 | \$ 461,600.00 | \$38.55902 | 17,799 | 1,750,000 | 1,750,000 | 1,575,000 | 1,575,000 | \$28.10561 | 44,266 | 44,266 | 25,000 | 56.476% | 25,000 | 19,266 | | |
| 4 | FY 2026-27 1/1/2025 | \$ 461,600.00 | \$38.55902 | 17,799 | 1,750,000 | 1,750,000 | 1,575,000 | 1,575,000 | \$28.10561 | 44,266 | 44,266 | 25,000 | 56.476% | 25,000 | 19,266 | | |
| 5 | FY 2027-28 1/1/2026 | \$ 461,600.00 | \$38.55902 | 17,799 | 1,750,000 | 1,750,000 | 1,575,000 | 1,575,000 | \$28.10561 | 44,266 | 44,266 | 25,000 | 56.476% | 25,000 | 19,266 | | |
| 6 | FY 2028-29 1/1/2027 | \$ 461,600.00 | \$38.55902 | 17,799 | 1,750,000 | 1,750,000 | 1,575,000 | 1,575,000 | \$28.10561 | 44,266 | 44,266 | 25,000 | 56.476% | 25,000 | 19,266 | | |
| 7 | FY 2029-30 1/1/2028 | \$ 461,600.00 | \$38.55902 | 17,799 | 1,750,000 | 1,750,000 | 1,575,000 | 1,575,000 | \$28.10561 | 44,266 | 44,266 | 25,000 | 56.476% | 25,000 | 19,266 | | |
| 8 | FY 2030-31 1/1/2029 | \$ 461,600.00 | \$38.55902 | 17,799 | 1,750,000 | 1,750,000 | 1,575,000 | 1,575,000 | \$28.10561 | 44,266 | 44,266 | 25,000 | 56.476% | 25,000 | 19,266 | | |
| 9 | FY 2031-32 1/1/2030 | \$ 461,600.00 | \$38.55902 | 17,799 | 1,750,000 | 1,750,000 | 1,575,000 | 1,575,000 | \$28.10561 | 44,266 | 44,266 | 25,000 | 56.476% | 25,000 | 19,266 | | |
| 10 | FY 2032-33 1/1/2031 | \$ 461,600.00 | \$38.55902 | 17,799 | 1,750,000 | 1,750,000 | 1,575,000 | 1,575,000 | \$28.10561 | 44,266 | 44,266 | 25,000 | 56.476% | 25,000 | 19,266 | | |
| 11 | FY 2033-34 1/1/2032 | \$ 461,600.00 | \$38.55902 | 17,799 | 1,750,000 | 1,750,000 | 1,575,000 | 1,575,000 | \$28.10561 | 44,266 | 44,266 | 25,000 | 56.476% | 25,000 | 19,266 | | |
| 12 | FY 2034-35 1/1/2033 | | | | | - | - | - | \$28.10561 | - | - | - | - | - | - | | |
| 13 | FY 2035-36 1/1/2034 | | | | | - | - | - | \$28.10561 | - | - | - | - | - | - | | |
| 14 | FY 2036-37 1/1/2035 | | | | | - | - | - | \$28.10561 | - | - | - | - | - | - | | |
| 15 | FY 2037-38 1/1/2036 | | | | | - | - | - | \$28.10561 | - | - | - | - | - | - | | |
| Do nothing | | 213,586 | | | | Taxes for all political subdivisions | | | | 486,930 | 486,930 | 275,000 | | 275,000 | 211,930 | | |
| Net TIF Not Rebated | | | | | | | | | | | | | | | | | |

| Table 2. Calculation of Consolidated Net Levy for TIF | | | |
|---|---------------|----------------------------------|-------------------------|
| | Total Levy | Less: D/S, PPEL & Inst. Supp. | Net Tax Levy for TIF |
| Ballard Schools | \$19.60717 | (\$6.67756) | \$12.92961 |
| Story County | 5.02778 | (0.02585) | \$5.00193 |
| City of Huxley | 11.85000 | (3.75000) | \$8.10000 |
| County Ag Extension | 0.07960 | - | \$0.07960 |
| County Assessor | 0.44753 | - | \$0.44753 |
| County Hospital | 0.90891 | - | \$0.90891 |
| Des Moines Area C.C. | 0.63533 | - | \$0.63533 |
| State (Bruc./Tub.) | 0.00270 | - | \$0.00270 |
| | \$38.55902 | (\$10.45341) | \$28.10561 |

[based on FY 2020-21 tax levies]

| Table 3 - Assumptions | |
|---|--|
| Summary of Inputs and Assumptions | |
| 1.Rehabilitation completed (construction) by January 1, 2022 [FY 2023-24]. | |
| 2. Assumes no LMI | |
| 3. Developer to provide proforma and cost estimates [100% valuation, before rollback] | |
| 4. Developer-provided estimated "pace" of build-out. | |
| 5. Valuation is "rolled back" to 90% (commercial rollback). | |
| 6. Assumes Consolidated Levy for TIF Revenue of \$28.10561 per \$1,000 | |
| 7. Assuming one phase of commercial rehabilitation | |
| 8. Total TIF rebate to developer is capped at \$ [subject to City Council and City Staff review] | |

| Table 4 - Developer Request | |
|---|--|
| Summary of Request | |
| 1. Assumes total TIF rebate to developer of \$ [subject to City Council and City Staff review] | |
| 2. Reflects total estimated TIF revenue over 11 years of \$ (see column O). \$ (requested TIF rebate) is approximately % of estimated available TIF revenue | |

| Assumed Increment Valuation Growth: 0.00% | | | | | | | | | | | | | | | | | |
|---|---------------------|---|-------------------|--------|--------------------------------------|--|---|---|---|---------------------------------|-----------------------------------|-----------------------------------|---------------------------------------|--|---|--|--|
| ESTIMATED | | | | | | | | | | | | | | | | | |
| New Valuation Only | | | | | | | | | | | | | | | | | |
| From Increase in Valuation | | | | | | | | | | | | | | | | | |
| Table 1. TIF Cash Flow | | INCREMENT VALUATION (Includes Existing \$461,000) [Regular Valuation Only] | | | | TOTAL ESTIMATED VALUATION AND INCREMENT | | | TIF LEVIES and RESULTING TIF REVENUE | | | TIF Rebate Payments | | TOTAL TIF | NET TIF | | |
| Assessment / Fiscal Valuation Year Year | | Current Valuation | Gross Tax Levy | Taxes | Total Assessment After Project | Increment 100% Assessment Total | Taxable Valuation After Rollback | Net Taxable Valuation for Rebate | Net Tax Levy for TIF | Estimated Net TIF Revenue | Total Estimated TIF Revenue | Rebate Payment to Developer | Rebate as % of TIF Available | ESTIMATED ANNUAL TIF PAYMENTS | Annual TIF Surplus / (Deficit) | | |
| | | | | | | 90.00000% | | | [per \$1,000] | | | | | | | | |
| | FY 2022-23 1/1/2021 | \$ 461,600.00 | \$38.55902 | 17,799 | 461,600 | | | | \$28.10561 | | | | | | | | |
| 1 | FY 2023-24 1/1/2022 | \$ 461,600.00 | \$38.55902 | 17,799 | 1,750,000 | 1,750,000 | 1,575,000 | 1,159,560 | \$28.10561 | 32,590 | 32,590 | 25,000 | 76.710% | 25,000 | 7,590 | | |
| 2 | FY 2024-25 1/1/2023 | \$ 461,600.00 | \$38.55902 | 17,799 | 1,750,000 | 1,750,000 | 1,575,000 | 1,159,560 | \$28.10561 | 32,590 | 32,590 | 25,000 | 76.710% | 25,000 | 7,590 | | |
| 3 | FY 2025-26 1/1/2024 | \$ 461,600.00 | \$38.55902 | 17,799 | 1,750,000 | 1,750,000 | 1,575,000 | 1,159,560 | \$28.10561 | 32,590 | 32,590 | 25,000 | 76.710% | 25,000 | 7,590 | | |
| 4 | FY 2026-27 1/1/2025 | \$ 461,600.00 | \$38.55902 | 17,799 | 1,750,000 | 1,750,000 | 1,575,000 | 1,159,560 | \$28.10561 | 32,590 | 32,590 | 25,000 | 76.710% | 25,000 | 7,590 | | |
| 5 | FY 2027-28 1/1/2026 | \$ 461,600.00 | \$38.55902 | 17,799 | 1,750,000 | 1,750,000 | 1,575,000 | 1,159,560 | \$28.10561 | 32,590 | 32,590 | 25,000 | 76.710% | 25,000 | 7,590 | | |
| 6 | FY 2028-29 1/1/2027 | \$ 461,600.00 | \$38.55902 | 17,799 | 1,750,000 | 1,750,000 | 1,575,000 | 1,159,560 | \$28.10561 | 32,590 | 32,590 | 25,000 | 76.710% | 25,000 | 7,590 | | |
| 7 | FY 2029-30 1/1/2028 | \$ 461,600.00 | \$38.55902 | 17,799 | 1,750,000 | 1,750,000 | 1,575,000 | 1,159,560 | \$28.10561 | 32,590 | 32,590 | 25,000 | 76.710% | 25,000 | 7,590 | | |
| 8 | FY 2030-31 1/1/2029 | \$ 461,600.00 | \$38.55902 | 17,799 | 1,750,000 | 1,750,000 | 1,575,000 | 1,159,560 | \$28.10561 | 32,590 | 32,590 | 25,000 | 76.710% | 25,000 | 7,590 | | |
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| 10 | FY 2032-33 1/1/2031 | \$ 461,600.00 | \$38.55902 | 17,799 | 1,750,000 | 1,750,000 | 1,575,000 | 1,159,560 | \$28.10561 | 32,590 | 32,590 | 25,000 | 76.710% | 25,000 | 7,590 | | |
| 11 | FY 2033-34 1/1/2032 | \$ 461,600.00 | \$38.55902 | 17,799 | 1,750,000 | 1,750,000 | 1,575,000 | 1,159,560 | \$28.10561 | 32,590 | 32,590 | 25,000 | 76.710% | 25,000 | 7,590 | | |
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| 15 | FY 2037-38 1/1/2036 | | | | | - | - | - | \$28.10561 | - | - | - | - | - | - | | |
| Do nothing | | 213,586 | | | | Taxes for all political subdivisions | | | | 358,492 | 358,492 | 275,000 | | 275,000 | 83,492 | | |
| Net TIF Not Rebated | | | | | | | | | | | | | | | | | |

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| County Assessor | 0.44753 | - | \$0.44753 |
| County Hospital | 0.90891 | - | \$0.90891 |
| Des Moines Area C.C. | 0.63533 | - | \$0.63533 |
| State (Bruc./Tub.) | 0.00270 | - | \$0.00270 |
| | \$38.55902 | (\$10.45341) | \$28.10561 |

[based on FY 2020-21 tax levies]

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|---|--|
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| 2. Reflects total estimated TIF revenue over 11 years of \$ (see column O). \$ (requested TIF rebate) is approximately % of estimated available TIF revenue | |