

March 4, 2003

To the Honorable Mayor  
and  
Members of the City Council  
City of Urbandale, Iowa

Re: 2002-2007 Capital  
Improvements Program

I am pleased to present to the City Council the 2002-2007 Capital Improvements Program (CIP) for the City of Urbandale. This document represents the City's multi-year plan for the maintenance and improvement of the publicly owned infrastructure. The Capital Improvements Program prioritizes the City's maintenance needs for the park, bridge, sidewalk, storm sewer, street, traffic signal and water systems. It also outlines the improvement and replacement needs for the City's public buildings and major equipment. Detailed cost information and recommended funding sources are identified for each project to assist the City Council in its priority setting process.

In total, the 2002-2007 Capital Improvements Program anticipates expenditures of \$110,236,000. Of this amount, \$47,176,900 (42.8%) would be funded from the sale of general obligation bonds, with another \$16,157,400 (14.7%) to be financed from tax increment supported debt. The plan also anticipates that \$8,941,500 (8.1%) in special assessment revenues, \$14,085,300 (12.8%) in state and federal revenues, \$7,156,700 (6.5%) in general fund revenues and \$16,718,200 (15.1%) in other revenues would be utilized to finance the planned capital improvements.

Once again, the Capital Improvements Program includes estimates for projects planned for 2007 and beyond. These projects represent long term capital needs, as perceived at the present time. In some cases, current development trends are utilized to project future capital needs. In other cases, the planned projects are extensions of existing improvements. It is estimated that \$56,330,400 will be needed to finance the projects identified for 2007 and beyond. This amount is included in the total estimated expenditures noted above.

## Fiscal Performance Goals

At its meeting of January 20, 1981, the City Council approved fiscal performance goals for the City's operations. These goals concentrated on revenue, expenditure, reserve, investment, capital improvement, debt and financial reporting performance and were designed to maintain or improve the City's financial position. In approving the fiscal performance goals, the City Council emphasized the need for balancing current economic conditions in the community with the residents' demands for effective service delivery.

Below is a listing of the fiscal performance goals for capital improvements and debt service and a brief discussion of those items specifically pertaining to the formulation of the 2002-2007 Capital Improvements Program:

### Capital Improvement Goals

1. Capital improvements will be based on long range projected needs rather than on immediate needs in order to minimize future maintenance, replacement and capital costs.
2. All capital improvements will be made in accordance with the City's adopted five year Capital Improvements Program. The CIP shall be updated annually.

--- This document represents an update of the 2001-2006 Capital Improvements Program. It is anticipated that the CIP will continue to be updated on an annual basis.

3. The development of the Capital Improvements Program will be coordinated with the operating budget in order to maintain a reasonably stable total tax levy.

--- The five year Capital Improvements Program anticipates an annual debt service tax levy rate of \$2.05/\$1,000 of valuation. In 1995, the City Council pledged to maintain the debt service rate at \$1.70 for a fifteen year period. This time period coincided with the retirement schedule for the Fire Station Improvement Project debt. The only exception to this rate limitation was additional voter approved debt. In 1998, Urbandale residents authorized \$9,025,000 in general obligation bond funding for the construction of a new library and various park improvement projects. This debt added \$.35 to the debt service rate. It should be noted that some capital improvement projects have been delayed in order to conform with the debt service tax levy rate limitation and to provide additional stability in the total property tax levy rate. Additionally, it is anticipated that voter approval will be needed in order to issue debt for the Community Center, Parks and Public Works Field Facility and Police Station Renovation projects.

4. The City will identify the estimated cost and potential funding sources for each capital project proposed before submission to the review bodies and the City Council. Future operating costs associated with the proposed capital improvement will be estimated before a decision is made to implement a project.

--- The Capital Improvements Program contains descriptions for each of the proposed projects. These project descriptions list the estimated costs for the design and construction of the improvement and the funding source for the project. Additionally, the project's priority status is identified and detailed information is provided regarding the nature of the project, its justification and its current status. Finally, the impact of the project on the City's operating budget is estimated. This information should allow the City Council to properly evaluate the merit and priority of each project.

5. Federal, state and other intergovernmental and private funding sources shall be sought out and used as available to assist in financing capital improvements.

--- The recommended 2002-2007 Capital Improvements Program includes \$26,238,900 from outside sources for the financing of infrastructure improvements. This revenue represents approximately 23.8% of the total financing for the CIP.

6. The Parkland Dedication Fund shall be evaluated annually by the Park and Recreation Commission, and a recommendation for expenditures included in the annual operating budget submitted to the City Council.

--- The recommended 2002-2007 Capital Improvements Program anticipates the use of \$3,300 in Parkland funds for the construction of park projects. Recent court rulings have called into question the City's ability to collect Parkland funds from residential developers. Once this issue is resolved, a more detailed plan for the expenditure of Parkland funds will be developed.

#### Debt Performance Goals

1. The City will limit long term debt to only those capital improvements that cannot be financed from current revenues.
2. The maturity date for any debt will not exceed the reasonably expected useful life of the expenditure so financed.
3. Thirty percent (30%) of the City's available general obligation debt limit shall be reserved for emergency purposes.

--- The City's available capacity is limited by Iowa law to 5% of actual property values. Using 2001 values, the City's current available debt limitation is shown below:

Total Valuation	\$2,124,642,122
Debt Factor	<u>x.05</u>
Debt Limit	106,232,106
Current Debt	<u>(25,170,000)</u>
Legal Debt Margin	\$ 81,062,106

Current debt is 23.7% of the legally available capacity.

--- The City's emergency reserve for general obligation debt service is calculated in the following manner:

Legal Debt Margin	\$ 81,062,106
Emergency Debt Factor	<u>x.3</u>
Emergency Reserve	\$ 24,318,632

--- This goal provides the City with the following general obligation debt limitation:

Legal Debt Margin	\$ 81,062,106
Emergency Reserve	<u>(24,318,632)</u>
Available	\$ 56,743,474

4. The total direct general obligation debt shall not exceed four percent (4%) of the assessed value of taxable property.

--- The relationship of the City's general obligation debt to its assessed taxable value is calculated in the following manner:

Taxable Value	\$ 1,434,858,385
Debt Factor	<u>x.04</u>
Goal Limit	57,394,335
Current Debt	<u>(25,170,000)</u>
Available	\$ 32,224,335

Current direct debt is 1.8% of the assessed value of taxable property.

5. As a means of further minimizing the impact of debt obligation on the City's taxpayer:

- a.) Long term net debt shall not exceed \$600 per capita.
- b.) These limitations shall not apply to any debt incurred for emergency purposes.

--- The per capita debt limit is calculated in the following manner:

Population	\$ 29,072
Per Capita Limit	<u>x\$600</u>
Goal Limit	\$ 17,443,200
Current Debt	<u>(25,170,000)</u>
Available	\$ (7,726,800)

Current direct debt is \$865.78 per capita, based on the 2000 population of 29,072. The per capita debt limit was exceeded in 1998 in order to finance the voter approved debt for the Library and Park improvement projects. However, if the 1981 per capita limit of \$600 was adjusted for inflation, its current value would be \$1,238. In this case, the City's current borrowing would not exceed the established per capita debt limit.

6. The City will use special assessments, revenue bonds, and/or any other self-liquidating debt measures instead of general obligation bonds where and when possible.

--- Special assessments are utilized when a public improvement project directly benefits private property owners. This financing mechanism is used primarily for street paving and sidewalk projects. The recommended 2002-2007 Capital Improvements Program includes \$8,941,500 from special assessments for the financing of infrastructure improvements. The CIP also includes \$3,977,800 in water system improvements. These improvements will be financed through water user fees.

7. The City shall encourage and maintain good relations with financial and bond rating agencies and will follow a policy of full and open disclosure on every financial report and bond prospectus.

--- The City continues to follow a policy of full disclosure in the preparation of its comprehensive annual financial report and other financial documents. All official statements for general obligation bond issues are prepared by the City's consultant, US Bancorp Piper Jaffray, and conform with the Securities and Exchange Commission's disclosure requirements. Since 1983, the City's financial position has been reported on a modified accrual basis. This form

of accounting more accurately reflects the City's financial status at the end of the fiscal year. The City Council's commitment to full disclosure in the preparation of the comprehensive annual financial report has been recognized by the Government Finance Officers Association. For the past eighteen years, the Association has awarded the City its Certificate of Achievement for Excellence in Financial Reporting.

### Program Highlights

The 2002-2007 Capital Improvements Program is divided into nine major categories, including buildings, major equipment, parks, bridges, sidewalks, storm sewers, streets, traffic signals and water. These categories identify the major functional areas for infrastructure improvements and capital expenditures and should assist the City Council in its priority setting process. A brief description of the major expenditures in each funding category is contained below.

#### Buildings

In 1999, a Facilities Review and Space Needs Study was conducted to determine the adequacy of the City's buildings for the next twenty years. The recommended Capital Improvements Program would implement several of the projects outlined in that study. These projects would include the remodeling of the Police Station; the construction of City Hall; and the remodeling of the maintenance areas at the Department of Engineering and Public Works. The CIP also anticipates that exterior repairs would be made at the Swimming Pool facility in 2003. In the long term, it is anticipated that a Community Center, Fire Training Facility and new Walker Johnston Park Shelter House would be constructed. The feasibility of a multi-jurisdictional Community Center project is currently under review by a citizens committee.

#### Major Equipment

This category is primarily reserved for the purchase of fire equipment. A replacement rescue truck would be purchased in 2003, at a total cost of \$350,000. This vehicle would replace an existing 1992 unit and would have a greater carrying capacity for specialized equipment. In 2005, a combined pumper/ladder truck would be acquired. In 2007, the existing ladder vehicle would be replaced, at an estimated cost of \$750,000.

#### Parks

During the next few years, most of the capital improvement programming in Parks will involve the development of two regional facilities. First, funding would be provided for the acquisition of property for the Walnut Creek Regional Park. This 210 acre park would be located east of 156<sup>th</sup> Street, between Douglas Avenue and Meredith Drive. In the long term, the CIP would also fund the development of a nature center, outdoor aquatic center and trail system in the park. Another regional facility, Walker Johnston

Park, would be improved through three projects. First, a regional playground would be expanded to include a skate park and other special play areas. The other projects would include the stabilization of Walnut Creek and the paving of the west parking lot.

In the neighborhood parks, several improvements are planned for the next five years. New playgrounds would be constructed in Bristol Cove and Foxdale. Additionally, park facilities would be upgraded in Ashleaf Park, Lions Park, Murphy Park, South Karen Acres Park, Lakeview Park, Sutton Place and the Winter Park. It is also anticipated that new bike paths would be constructed in western Urbandale, including a connection to the Raccoon Valley Regional trail and the development of the Timberline system. The CIP would also provide the continuation of an annual bike path repair and replacement program. This program was initiated in 2002 in order to upgrade the condition of the existing bike path system.

Two other special park projects are anticipated in the recommended Capital Improvements Program. First, an outdoor performing arts amphitheater would be constructed in the vicinity of 138<sup>th</sup> Street and Douglas Parkway in 2004. The estimated cost for this facility is \$3.5 million. A feasibility study has been performed for the project and a more detailed market study will be completed in 2003. Second, land would be acquired for a new Parks/Public Works maintenance facility in western Urbandale. This land would also accommodate a water storage facility and a new athletic complex for the Urbandale Soccer Club. This property would be acquired over a period of time, beginning in 2003.

### Bridges

The most significant project contained in the recommended Capital Improvements Program is the completion of the Douglas Avenue Interchange Reconstruction Project. It is anticipated that the construction of two new bridges and the reconstruction of the interchange ramps will be completed in 2003, at an estimated cost of \$14,766,100. Another important bridge replacement project over Interstate 35/80 would occur at Meredith Drive. Slated for 2005, it is anticipated that this project would be jointly funded by the City and Iowa Department of Transportation, at a cost of \$1,954,000. In order to develop the City Center in western Urbandale, a new bridge is planned for construction over Walnut Creek, in 2005. Further north on Walnut Creek, the Douglas Parkway Bridge is planned for replacement in 2007. Other Walnut Creek bridges planned for construction or reconstruction include facilities at Aurora Avenue, Meredith Drive, Waterford Road and 156<sup>th</sup> Street.

### Sidewalks

In 1998, the City Council adopted a 1998-2006 Sidewalk Construction Program. The Capital Improvements Program incorporates the projects outlined in this plan. To date, priority has been given to sidewalks required for the designated safe school routes and along the City's arterial and collector streets. The recommended CIP would complete the missing sidewalk segments on residential streets. Most of the sidewalk

improvements would be financed through special assessments. Special projects to connect the Soccer and Softball Complex with the new City park and pond on 100<sup>th</sup> Street and to complete the 100<sup>th</sup> Street sidewalk system, between Hickman Road and Douglas Avenue, would be completed in 2003.

### Storm Sewers

In 2002, the City's Department of Engineering and Public Works prepared a Storm Sewer and Drainage Management Report. This report identified the repair and improvement needs for the City's storm sewer and drainage system and prioritized these projects. The recommended CIP would allocate \$50,000 annually for the implementation of the priority projects.

### Streets

Street improvement projects account for approximately 35.2% (\$38,821,500) of the cost associated with the recommended 2002-2007 Capital Improvements Program. The largest street improvement projects would create a street network along the I35/80 corridor. These projects would include the construction of Northpark Drive and Plum Drive, west of 86<sup>th</sup> Street; and the paving of Meredith Drive, west of I35/80. The recommended CIP would also establish an arterial and collector street system in western Urbandale. These corridor improvement projects would include the paving of Douglas Parkway, Waterford Road, 128<sup>th</sup> Street, 138<sup>th</sup>/142<sup>nd</sup> Street, and 156<sup>th</sup> Street. Other significant street improvements would include the widening of Meredith Drive, from 86<sup>th</sup> Street to I35/80; the widening of 86<sup>th</sup> Street; the paving of 100<sup>th</sup> Street, from Sutton Drive to Northwest 54<sup>th</sup> Avenue, and the paving of 74<sup>th</sup> Street and Goodman Drive.

Several intersection improvements and special street projects are also included in the recommended CIP. Intersection improvements are planned at Douglas Avenue and 79<sup>th</sup> Street, 86<sup>th</sup> Street and Hickman Road, 86<sup>th</sup> Street and Plum Drive, and 100<sup>th</sup> Street and Hickman Road. It is also anticipated that medians would be constructed along Douglas Avenue, east of I35/80, beginning in 2007. A pavement rehabilitation project is planned for 86<sup>th</sup> Street, in 2005. Finally, railroad crossing improvements are planned for Meredith Drive.

### Traffic Signals

The recommended Capital Improvements Program would provide for the coordination of traffic signals in the Douglas Avenue and 100<sup>th</sup> Street/Northwest Urbandale Drive corridors in 2003. These projects would interconnect the traffic signals in the corridors and coordinate their operations through the use of computerized controller equipment. In response to increasing traffic volumes, a new traffic signal is planned for 100<sup>th</sup> Street and Justin Drive in 2003. The recommended CIP also anticipates the construction of

new traffic signals at 86<sup>th</sup> Street and Plum Drive, 82<sup>nd</sup> Street and Hickman Road, Douglas Avenue and 75<sup>th</sup> Street, Northwest Urbandale Drive and Aurora Avenue, and 128<sup>th</sup> Street and Douglas Parkway.

### Water

Several improvements to the City's water system are anticipated in the recommended CIP. Water service in the Douglas Avenue/Colby Woods area would be improved with the installation of a twelve inch water main between 73<sup>rd</sup> Street and Elm Drive. In response to new development, a sixteen inch water main would be constructed along Meredith Drive, between 121<sup>st</sup> Street and 128<sup>th</sup> Street. Other system upgrades are planned for Sharon Drive and 69<sup>th</sup> Street; Ridgemont Drive, between 76<sup>th</sup> Street and 78<sup>th</sup> Street; Madison Avenue and Horton Avenue, between 70<sup>th</sup> Street and 72<sup>nd</sup> Street; and 71<sup>st</sup> Street, between Douglas Avenue and Airline Avenue. It is also anticipated that a new two million gallon elevated storage tank would be constructed west of I35/80 to accommodate development in western Urbandale.

### Conclusion

The recommended 2002-2007 Capital Improvements Program attempts to address the City's growing infrastructure needs, in a fiscally prudent manner. In the past fifteen years, the City has experienced steady residential and commercial growth, allowing for the orderly extension of the street, parks and water systems. The recommended CIP would continue to extend this infrastructure into the City's growth areas. At the same time, capacity improvements would be made to the existing infrastructure network. These improvements are necessary in order to maintain a high level of service for Urbandale's residents. Finally, several building, equipment and park improvements are planned to maintain or enhance the quality of life in Urbandale. The funding plan for these improvements would conform to the City Council's financial guidelines. These guidelines are intended to maintain the City's sound fiscal condition and to provide Urbandale taxpayers with a predictable and stable property tax rate.

It should be noted that the recommended 2002-2007 Capital Improvements Program relies on the use of funds from three tax increment districts. The Northwest Market Center Tax Increment District was created in late 2000 to address the infrastructure needs of the I35/80 corridor. Due to its size, the City Council has limited the amount of incremental growth that may be tapped for capital improvements within the district. A 50% cap allows the City, and other taxing jurisdictions, to meet both the capital and operating needs in this growth area. The Fawn Creek Tax Increment District provides resources for the development of the City Center, in the vicinity of 138<sup>th</sup> Street and Douglas Parkway. Finally, the Downtown Urbandale Neighborhood Tax Increment District provides for the redevelopment of the original downtown area. To date, proceeds from this district have primarily funded improvements along Douglas Avenue and property tax rebates for redevelopment projects.

The preparation of the Capital Improvements Program would not have been possible without the cooperation of the City's Management Team. I would like to thank all department directors for their input and assistance during the preparation process. I would especially like to thank Su Zanna Prophet, Assistant City Manager, for her coordination of the review and preparation process. Additionally, I would like to thank Deb Mains, Sandi Tompkins and Kim Keisler for their assistance in the production process and Jeff Harm for his cover design. Finally, I extend my appreciation to the Capital Improvements Committee for its commitment of time to the formulation of public improvement priorities for the next five years.

//signed//

Robert Layton  
City Manager