Date: February 5, 2018

To: Urban Renewal Agency Board of Directors

From: Executive Director

Subject: List of Projects in the Plan and Updated Costs (Revised)

Request: The Agency Board reviewed a list of projects at the meeting of January 16, 2018 and asked that I review the projects and discuss what parts of projects on the list have not been completed, and provide a cost for projects.

Background: I reviewed the list with the Public Works Director and have eliminated some of the list due to the project being completed. Below is an updated list and cost estimate along with projects other than public works projects.

A. Transportation

1. Glencoe Road and 311th Avenue Railroad Crossing Improvements – Some improvements have been made to the crossing on Glencoe Road. The crossing at 311th Avenue needs crossing arms. $400,000.
2. Hillcrest Street Improvements – This project includes the construction of curb, gutter and sidewalks where not exist between Glencoe Road and 319th Avenue. Cost over $1,000,000.
3. Commercial/Main Street Traffic Control Devices – This project is the installation of stop signs on Commercial Street. This would not be necessary until the North Expansion area is developed. Estimated cost $500 could be paid for by the north expansion.
4. Central Business District Streetscape Improvements – Complete renovation of the Commercial Street right of way from 313th Avenue to Main Street including new sidewalks, curbs, storm drainage, landscaping and undergrounding of electrical system. Estimated cost $2.4 million.
5. Commercial Street/Glencoe Road Intersection Signalization – Glencoe Road is a county road, and signalization would be paid for by the county, once it meets warrants and comes up on the list of all county roads to signalize. Once the north expansion area is developed, the un-mitigated level of service according to the
Transportation System Plan would be Level F which is below acceptable levels of service. With the approval of the development of the north expansion area, a condition that the developer contribute to the cost of the signals should be required. The estimated cost, $500,000.

6. Pacific Street Extension – Extend Pacific Street to the east across McKay Creek. Estimated cost is $2 million.

7. Highland Court Upgrades (West of Glencoe Road) – The width of Highland Court varies west of Glencoe Road. Storm drainage is in, but curb, gutter and sidewalk is necessary at various locations. The south side of Highland Court is in the project area but improvements need to be done on both sides. Estimated cost, $300,000.

B. Public Facilities

1. Storm Drainage Improvements – Storm drainage improvements were listed as projects in the plan. They were to be done at various locations. Glencoe Road storm drainage was listed as a project, but they were done as part of the Glencoe Road widening. Other storm drain improvements were to be done in the vicinity of 307th but they were done as part of private development.

2. Water System Improvements – Most of the water system improvements have been completed with the exception of Cottage Street between 309th and Glencoe Road. Cost estimated is $35,000 to $40,000 if private contractor, $15,000 if done by city crews.

C. Parks and Open Space

1. Multi-use Recreational Trail – The trail section between Glencoe Road and the Turtle Pond is in the bid stage. The section between Glencoe Road and 313th is in the project area and eligible for funding. No cost estimate has been done.

D. Public Spaces

1. Public Plaza – The Plan shows a public plaza constructed at the intersection of 314th and Commercial Street. This could be accomplished with the Central Business District Streetscape Improvements.

E. Public Buildings

1. New City Hall – The city will need new city facilities in the near future. However, no work has been done to determine the amount of space needed in the facilities to meet the future needs. The entire cost of the study cannot be paid by urban renewal funds, but the costs can be shared by the Agency and the city’s general fund and water fund. Estimate of total cost for the study is $50,000.

2. Fire Station Improvements – The project as described in 2006 was the installation of a truck exhaust capture system. Estimate of the cost at that time was $80,000. The station is also in need of traffic control devices to protect pedestrians and bicyclists, along with vehicles for the emergency response of vehicles onto Commercial Street.
F. Planning and Development Assistance

1. Rehabilitation/Redevelopment Grant/Loan Program – The Agency can develop a loan or grant program to help fund the redevelopment of buildings in the project area. These programs could be structured to make low interest loans for qualifying projects and develop loan approval criteria. The program could also be a grant program that meets certain criteria.

2. New Development Grant/Loan Program – The Agency could develop a grant or loan program to assist in the development of a new project which would increase the tax increment being received by the Agency.

3. Technical Assistance Program – The Agency could develop a program to assist in site studies, market studies, feasibility analyses, engineering and design and other activities directly related to development of property in the project area. An example of this could be structural analysis of buildings to promote the rehabilitation of underutilized buildings.

4. Commercial Façade Improvement Loans – To create a distinct identity for the Central Business District and surrounding Highway Commercial area that is visually appealing and unified, the Plan authorizes façade improvement loans for commercial development. The Agency would create a façade design theme and would make low interest loans available to those that rehabilitate their structures to the adopted design theme.

G. Agency Debt.

1. The Agency has two debts.
   a. LOCAP Series 2011A – For Glencoe Road Improvements. The Agency owes $337,236 principal and interest, debt will be paid in 2031. Interest rate on the loan ranges from 3.0% to 5.7% depending upon coupon maturity. The terms of the loan are that the Agency can pay after December 1, 2018 any coupons maturing after December 1, 2019. Balance of the loan is $220,000. The current fund balance of the URA is $909,755.
   b. The second debt is a city general fund internal loan with principal owing of $175,722. Payments are annually. The loan was obtained in January 2014 and the term is 10 years. Interest rate is 3.25%. The loan was to pay off two bank loans, one for the parking lot, the other for the house across from the library.

Fiscal Impact: Depends upon direction the Board gives as far as prioritizing the projects.

Environmental Issues: Again, depends upon direction.

Recommendation: It is recommended that the Board take the following actions.
1. Review the downtown plans to determine whether the members would like to have changes made to the design plans. Once the Board approves the design, direct staff to obtain proposals to complete the plans so that the Agency can go out to bid.
2. Retain a financial consultant to negotiate a sale of bonds to finance the construction of the downtown revitalization plan.
3. Work with the city to determine the proper split of costs to have a space needs study done for development of a new city hall. The preparation of the plans would be under direction of the city.

Sample Motion:

Attachment: