

Staff Report

ADAMS STREET PAVING

May 22, 2012

BACKGROUND

City Council referred to staff a petition from Staci Harper of 1419 Edgewater Court pertaining to paving the graveled portion of Adams Street. This petition requested the City pay to pave a small gravel section between Calhoun Avenue and Dawes Drive. The letter submitted with the petition states that during the winter the area develops large potholes and ruts and gets very muddy and difficult to drive. She requested the paving of this street section be included in the next annual Capital Improvements Plan (CIP). She stated she feels the paving would be beneficial for the City and would increase the safety and aesthetics of their neighborhood streets. The petition was signed by 74 persons/couples, three of whom own property along the unpaved section of roadway. **Ms. Harper requested the City fund this project entirely, due to the increased traffic in this neighborhood traveling to and from Ada Hayden Park and Gilbert schools.**

The estimated cost for paving this segment of Adams Street, including engineering, construction, and construction administration, is **\$160,500**. Four parcels currently exist adjacent to the unpaved portion of Adams Street (see attached map). If a standard assessment process is pursued, three of the four parcels would likely have a deficiency. This means the amount assessed to these properties would exceed the 25% of the property value allowable by State code, and the City would be responsible to pay \$60,940 towards this project. If a special assessment occurred with voluntary agreement from all four properties, the property owners would be required to pay 100% of the project cost based on an agreed cost sharing arrangement. These calculations are shown below:

1	2	3	4	5	6	7	8	9
Parcel Number	Average Frontage	Percent Frontage	Paving Cost	Paving Cost Percent Assessment	2011 Property Assessment	25% of Property Assessment	Deficiency	Potential Assessment for Paving Costs
1	87.2	15.04%	\$24,135	10.71%	\$225,400	\$56,350	\$0	\$24,135
2	158	27.25%	\$43,730	43.43%	\$100,700	\$25,175	-\$18,555	\$25,175
3	167	28.80%	\$46,221	79.42%	\$58,200	\$14,550	-\$31,671	\$14,550
4	167.7	28.92%	\$46,415	32.50%	\$142,800	\$35,700	-\$10,715	\$35,700
CITY OF AMES								\$60,940
	579.90	100.00%	\$160,500				-\$60,940	\$160,500

On August 23, 2011, Council asked staff to meet with the adjacent property owners along Adams Street regarding a potential special assessment. Council also inquired

about pavement impacts to assessed property values. A summary of this can be found below.

On December 20, 2011, Council asked staff to contact neighborhood property owners within the immediate area to determine their interest and willingness to participate in a voluntary assessment for paving Adams Street. A summary of these results are also shown below.

DISCUSSIONS WITH ADJACENT PROPERTY OWNERS

Assessed property values are based in part on the adjacent roadway surface where the driveway is located. The City Assessor estimated the property values of these four parcels would increase as shown below.

Parcel No.	Address	Property Owner(s)	2011 Property Assessed Value	Estimated Increase to Assessed Value after Paving Adams St
1	917 Adams St	Dennis C Wendell	\$ 225,400	\$ 12,600
2	4003 Dawes Dr	Steven G Martin	\$ 100,700	\$ 8,800
3	910 Adams St	Dorothy J Kizer	\$ 58,200	\$ 0 <i>(Majority of frontage off Calhoun)</i>
4	3919 Dawes Dr	Dorothy J Kizer	\$ 142,800	\$ 0 <i>(Driveway off Dawes)</i>

On October 13, 2011, staff met with Mr. Wendell and Mr. Martin. Both property owners expressed their approval for paving Adams Street, but felt a **standard assessment**, which puts a maximum assessment at 25% of their property value, **would be impossible on their fixed incomes**. They both agreed it was more realistic for them to consider an assessment equal to the estimated increase to their assessed value, as noted above (\$21,400 combined of the \$160,500 total cost estimate). Both Mr. Wendell and Mr. Martin expressed paving Adams Street would benefit the City as a whole for the following reasons:

- Adams Street is currently classified as a collector street which serves as a bus route for the Gilbert School.
- Many citizens from neighborhoods west of Calhoun Avenue use this section of Adams Street daily to access City Parks and/or Dawes Drive. Most of these citizens are Ames residents and therefore pay City taxes.
- They feel the existing gravel is a safety concern regarding pedestrians and bicyclists, especially where it ties into existing pavement at adjacent intersections and driveways.

- They acknowledged the City does maintain and plow the gravel street in the winter; however, plowing and ice removal is not as efficient as with paved roadways.

Mr. Wendell and Mr. Martin only represent 50% of the adjacent property frontage. Staff spoke with another adjacent property owner, Mrs. Kizer, over the phone. During those discussions, Mrs. Kizer said she feels the City should pay 100% of the paving costs. When she purchased the property 45 years ago, Adams Street was merely a driveway to Dr. Adams' home. She did not realize she was taking on responsibility of a future road where that driveway to the Adams' house was located. Mrs. Kizer is not sure how she would afford \$50,000 on a fixed income even if this cost were to be spread out over 10 to 12 years.

FEEDBACK FROM NEIGHBORHOOD PROPERTY OWNERS WITHIN THE IMMEDIATE AREA

In March 2012, staff distributed 162 letters and surveys to property owners within the adjacent neighborhoods north of Bloomington Road, west of Grand Avenue, south of Ada Hayden Heritage Park, and both west of and along Hoover Avenue/Edgewater Drive (see attached map). Staff also held a public meeting on Monday, April 2, 2012, at the Ames Public Library.

A total of 59 surveys were returned and eight citizens attended the public meeting. Results and opinions were mixed. Of the responses received, 37% were in favor of paving Adams Street, 39% were indifferent, and 24% were opposed. Only 19% of those responding were either willing to participate or would consider participating in a voluntary assessment to help pay for paving Adams Street. Staff did not ask for any commitment from neighboring property owners at this time.

The neighboring property owners had several comments both on the surveys and during discussions at the public meeting. Those who were opposed to contributing generally relayed past policy, high taxes they already pay, or the fact they do not use it. Property owners who wanted to see Adams Street paved were mixed on who should pay for it. Those willing to consider a special assessment for paving Adams Street generally felt a reasonable assessment was \$250-\$1,000 each, totaling \$4,750. The vast majority who were indifferent to seeing Adams Street paved stated they seldom or never use it.

In summary, the following discussion items were brought up either through surveys or at the public meeting.

- The current gravel is a safety concern, particularly in the winter when icy.
- The proximity to Ada Hayden Heritage Park, Calhoun Memorial Park, and the Bertrand and Mary Adams Memorial Greenway makes this gravel section unique from others around town.

- Other property owners have paid for their streets through lot sales or assessments and felt past precedence should be followed here as well.
- It was suggested the presentation of a potential “assessment” was confusing to people who already pay high taxes and possibly rewording to say a “one-time donation” might encourage more participation.
- Some are willing to consider an assessment for the paving, but are less likely if neighbors do not also contribute.

At the public meeting neighboring property owners requested additional time to contact neighbors who were unable to attend the meeting and share the information they learned to gather support. This time was granted through the end of April; however, Staci Harper has not provided any new information.

TRAFFIC COUNTS

Generally speaking, most property owners along Top-O-Hollow Road reported they did not use this section of Adams Street. Responses were more mixed further north. To determine what the actual usage is, traffic counts were taken for this section of Adams Street over a 1 week time period at the end of April/beginning of May. The average daily traffic (ADT) over that week was 130-140 vehicles per day.

POTENTIAL OPTIONS

Option 1 – Project Funded Totally From Property Taxes (\$160,500)

Direct staff to include the paving of Adams Street (Calhoun Avenue to Dawes Drive) in the CIP in a specified year funded entirely by the City of Ames (\$160,500). Since the FY 2012-13 budget has been certified, the soonest this project can be introduced in the CIP is FY 2013-14.

Under this option the paving would be financed through the issuance of G.O. Bonds paid back with property receipts from all taxpayers.

Option 2 - Project Funded By Assessing Four Adjacent Property Owners (\$160,500)

Direct staff to include the paving of Adams Street (Calhoun Avenue to Dawes Drive) in the CIP in a specified year, with funding accomplished through a special assessment whereby the owners of the four abutting properties will pay 100% of cost (\$160,500) for this project.

To achieve this option, all of the abutting property owners would need to agree to sign a special assessment agreement waiving the right to protest the assessment and acknowledging their obligation to cover all costs to accomplish the paving project including deficiencies.

Unless all adjacent property owners agreed, this option would not be possible. It should be noted that none of the abutting property owners support Option 2.

Option 3 – Project Funded By Property Taxes (\$139,100) and From Adjacent Property Owners (\$21,400)

Direct staff to include the paving of Adams Street (Calhoun Avenue to Dawes Drive) in the CIP in a specified year with funding accomplished through a special assessment whereby the property owners will pay specified amounts equal to the estimated increase in assessed value per parcel (\$12,600 for Parcel 1; \$8,800 for Parcel 2; \$139,100 City).

It should be noted that the owners of Parcels 3 and 4 do not contribute to this project under this alternative since their assessed value would not increase with completion of the paving. Under this option, the two property owners would have to agree to these assessments.

Option 4 – Project Funded By Standard Assessment Procedure Against Adjacent Property Owners (\$60,940 from City and \$99,560 from Property Owners)

Direct staff to include the paving of Adams Street (Calhoun Avenue to Dawes Drive) in the CIP in a specified year, with funding accomplished through a standard assessment procedure. The property owners would pay a maximum of 25% of the assessed value (\$99,560 property owners; \$60,940 City).

Under this option, the four adjacent property owners would not be assessed more than 25% of their assessed valuation, and City taxpayers would fund the deficit. Furthermore, unless all adjacent property owners agreed to this option, the City would need to follow State Code procedures for assessments, thereby subjecting the City to the risk of protest and adjustment of the assessment allocations. Here again, the three property owners do not support this option.

Option 5 – Reject The Request From Neighboring Property Owners To Pave Adams Street At This Time

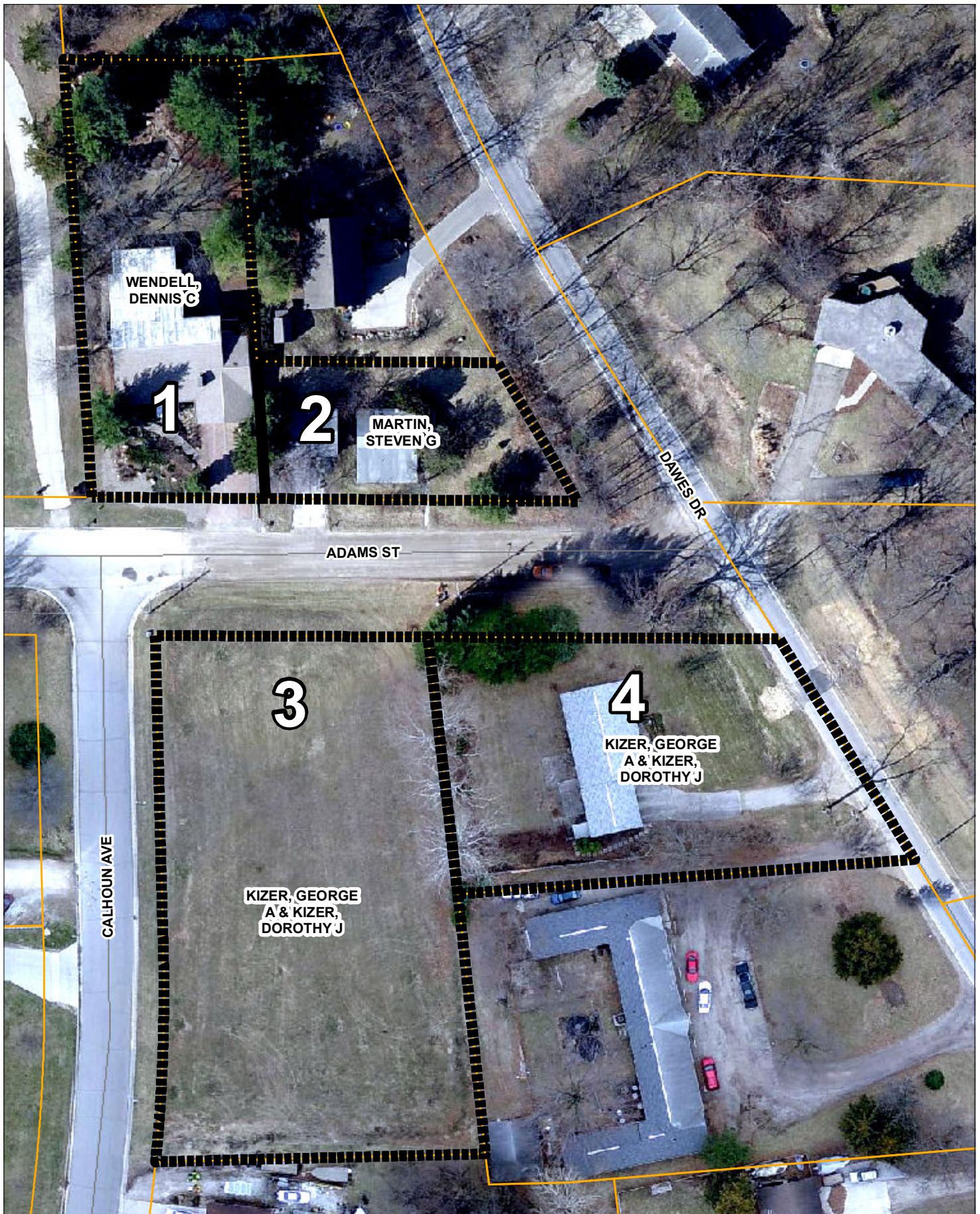
Reject the request for the paving of Adams Street (Calhoun Avenue to Dawes Drive), and do not include the project in the CIP.

Parcel Number	2011 Property Assessed Value (PAV)	Option 1: 100% City. No Assessment	Option 2: Special Assessment (100% PO)	Option 3: Special Assessment (Incr Value)	Option 4: Standard Assessment (25% PAV Max)
1	\$225,400	\$ -	\$ 24,135	\$ 12,600	\$24,135
2	\$100,700	\$ -	\$ 43,730	\$ 8,800	\$25,175
3	\$ 58,200	\$ -	\$ 46,220	\$ -	\$14,550
4	\$142,800	\$ -	\$ 46,415	\$ -	\$35,700
Nearby Neighborhood		\$ -	\$ -	\$ -	\$ -
City of Ames		\$160,500	\$ -	\$139,100	\$60,940
Total		\$160,500	\$160,500	\$160,500	\$160,500

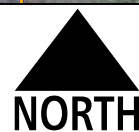
STAFF COMMENTS

Historically, the initial paving of a residential street is paid for by the Developer and passed on to each property owner through the purchase price of the lot. From there, the City assumes ownership of the street and responsibility for its maintenance and replacement. For that reason, City Council has typically required a special assessment paid for by the abutting property owners to accomplish this type of improvement. The special assessment process assures that the property owner pays for the initial street construction while allowing for a reasonable payment arrangement over time at a low interest rate.

The City Council will need to decide which option to pursue in response to this request, which was initiated by property owners whose homes are not adjacent to this gravel street section.



Adams Street Assessment Parcels



Scale: 1 in = 64 ft

Date: 12/14/2011



Geographic Information System (GIS) Product Disclaimer: City of Ames GIS map data does not replace or modify land surveys, deeds, and/or other legal instruments defining land ownership & land use nor does it replace field surveys of utilities or other features contained in the data. All features represented in this product should be field verified. This Product is provided "as is" without warranty or any representation of accuracy, timeliness or completeness. The burden for determining accuracy, completeness, timeliness, merchantability and fitness for or the appropriateness for use rests solely on the User.



ADAMS STREET PAVING ADJ NEIGHBORHOOD MAILING



Sheet 1/1
Scale: 1 in = 500 ft
Date: 5/11/2012