



## Norwalk Community Infrastructure Study (NCIS) Update

**February 14, 2014** – The City completed the Norwalk Community Infrastructure Study (NCIS), which focused on infrastructure needs in the Lakewood neighborhood and also looked at Holly Drive between Shady Lane and Knoll Dr. The total cost of infrastructure needs identified in the study was \$17.5 million, of which nearly \$11.3 million would be paid for by the city and the remainder through property assessments. (A full copy of the study is available on the City’s website at [www.norwalk.iowa.gov](http://www.norwalk.iowa.gov).)

In the study, projects are prioritized based on the condition of the infrastructure. City staff evaluated the condition of the infrastructure and married that information with usage of the street to develop a five-year plan to begin addressing the needs. At the July 25, 2013 Council work session, city staff presented the plan to the City Council, who had the consensus to move forward.

Initially, it was thought the City would not be able to begin construction on any projects until the summer of 2015, but staff members worked with the City’s bond financial advisor to develop a bond repayment schedule that would enable work to begin in the summer of 2014. The following is the revised schedule:

### \*Street Projects

	Section	Cost	
Construction 14 (FY 14/15)			
#3 Holly Drive		\$918,836	
#7 Wakonda Drive	02, 03	\$1,326,143	
		<b>\$2,244,979</b>	
Construction 15 (FY 15/16)			
#8 Wakonda Drive	5	\$740,632	
Beardsley/HWY 28 Intersection Improvement		\$250,000	TIF
		<b>\$990,632</b>	
Construction 16 (FY 16/17)			
Colonial Circle (TIF)		\$334,000	TIF
#5 Lakewood Drive	2	\$1,272,767	
		<b>\$1,606,767</b>	
Construction 17 (FY 17/18)			
#6 Lakewood Drive	3	\$627,521	
	W of Hwy 28 to Lakewood Elementary		
Beardsley expansion		\$255,000	
		<b>\$882,521</b>	

\*Please note that the section numbers and the project numbers to the left refer back to how projects are identified in the original study.

This is the five-year street schedule for reconstruction or major rehabilitation projects. This is in addition to the City's capital improvement plan schedule and the on-going street maintenance program that is already in place. It is important to remember that if there are issues with a street that require immediate attention, the schedule could be subject to change, but this is the plan on which we are basing bonding projections. It is also the City's intention to bond for all of the Wakonda Drive (both the #7 and #8 listed above) in spring of 2014, so that if it is possible to complete construction of the entire length of Wakonda Drive during the 2014 construction season, the funding will be available to do so. It is listed above in two separate years because it is most realistic that it may take two construction seasons to complete the entire project, but if possible, it will all be done in one.

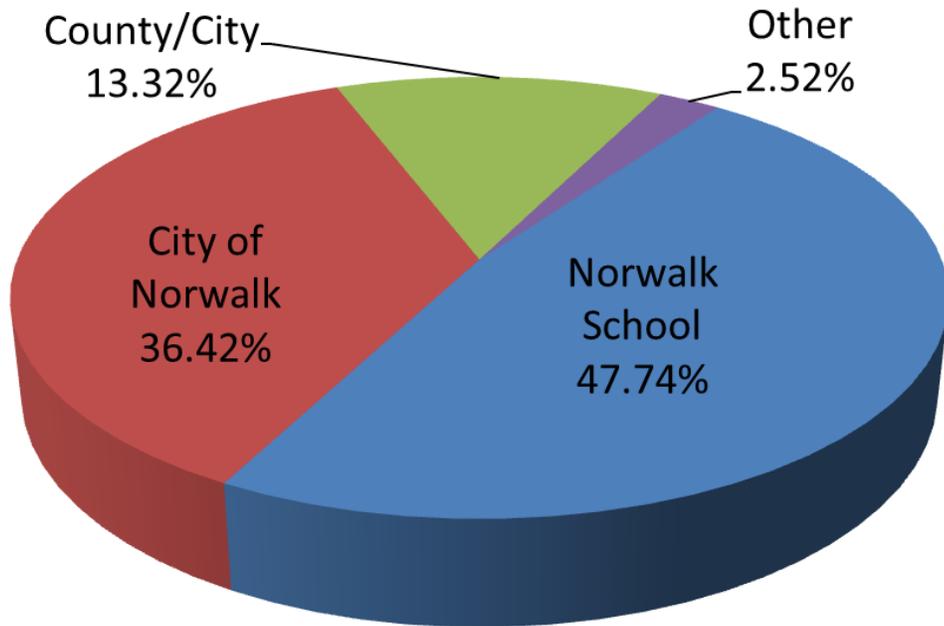
Homes will be assessed pursuant to a policy developed by the NCIS Study Committee. (An ordinance detailing the cost sharing policy developed by the NCIS committee was adopted by the City Council on January 17, 2013.) Effectively, when the city makes a capital improvement involving streets, sewer, water and stormwater, the property owner will bear the cost of the improvements directly attributable and beneficial to the property, such as driveway approaches, water service lines, sewer service lines, secondary storm service lines, sidewalks, curb and gutter. The property owner would be responsible for the actual cost of these improvements and the City pays for the rest of the project. The overall goal is to accomplish the improvements as quickly as possible, while minimizing the affect on the property owner and the tax levy rate.

Engineering work on all of Wakonda Drive (the sections scheduled both for FY 14/15 and FY 15/16) and for Holly Drive (between Shady Lane and Knoll Dr.) has been completed. Three meetings have been held in which affected homeowners were invited to attend and discuss the projects and specific impacts to their individual properties.

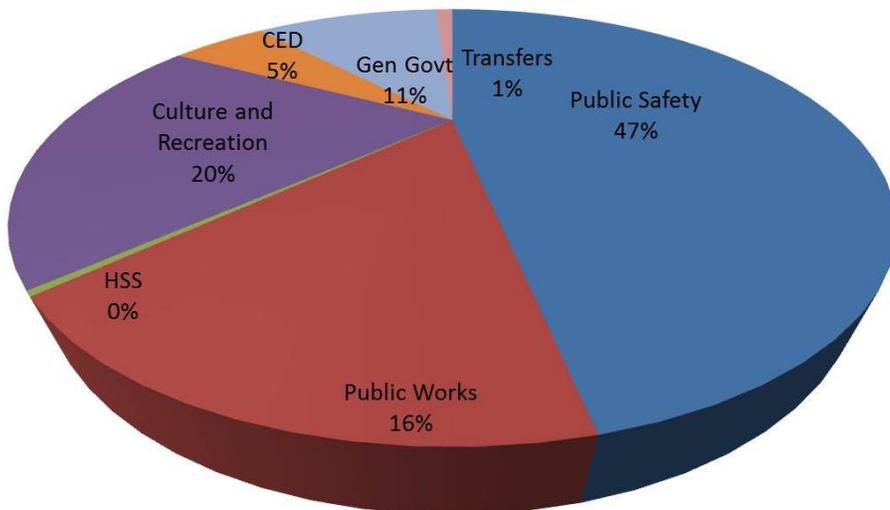
One of the most common questions from those meetings was, "Why do the taxes I pay not cover the costs of these improvements?" There are many reasons why annual tax payments do not cover major infrastructure rehabilitation projects.

First, only a portion of the property taxes paid by a homeowner are city revenues. The graph below shows how property taxes are distributed among taxing entities.

# Property Tax Breakdown

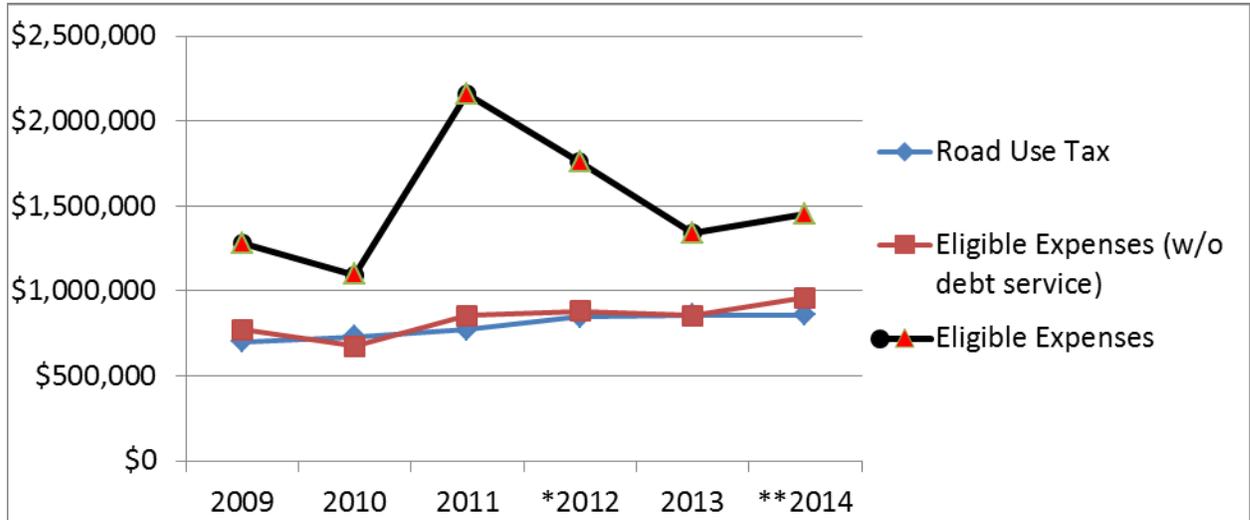


Of the property tax money the City receives, only the “General Fund” portion of that is available to be spent on non-restricted purchases of goods and services. A graph showing how the City of Norwalk’s General Fund property tax money is spent is below. As you can see, Public Safety is the largest expenditure category with Public Works being the second largest.



The City also receives Road Use Tax (RUT) money on an annual basis. This is a restricted fund to be used only for street and right-of-way maintenance, construction or rehabilitation. Following is a graph showing a five-year history and projections for the current fiscal year of what the City receives in Road

Use Tax, what eligible expenses are without debt service (i.e. operational costs for street maintenance only) and what the total RUT eligible costs are with debt service. As you can see, operational costs alone completely consume the RUT allotment the City receives. Total operational expenses (without any of the capital improvements such as the proposed projects on Wakonda and Holly) for the time period covered by the graph are \$4,997,005 and total RUT revenues (which have not been adjusted by the Legislature since 1989) are \$4,766,290.



Understanding that regular maintenance on the streets is no longer an option; the City has proposed to begin a schedule of rehabilitation and sometimes full reconstruction. We understand construction can cause inconvenience to commuters and the adjacent properties and will try to minimize this inconvenience as much as possible.

If you have questions about these improvements, please do not hesitate to contact the City Manager, Marketa Oliver at [marketao@norwalk.iowa.gov](mailto:marketao@norwalk.iowa.gov) or the Public Works Director, Tim Hoskins at [timh@norwalk.iowa.gov](mailto:timh@norwalk.iowa.gov) or either at 981-0228.