

Johnston

2013 Development Summary

February 3, 2014



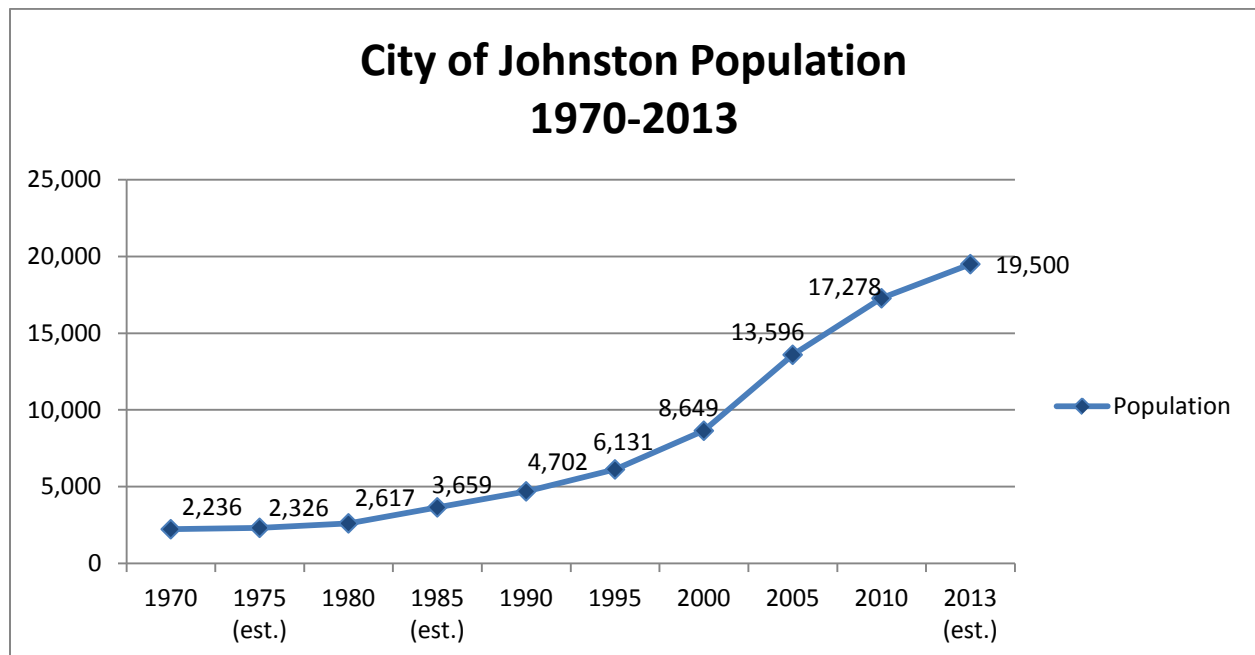
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Introduction

The City of Johnston has been fortunate to have weathered the recession of the past few years relatively well with continued commercial and residential growth. While this post recession growth has been at a slower pace than years past, Johnston continues to be a place where businesses choose to locate and residents choose to live. In total, \$118,869,871 new valuation was permitted in 2013. This document is a summary of that development activity which occurred in 2013 and identifies trends we might expect into 2014 and beyond.

Population Projection

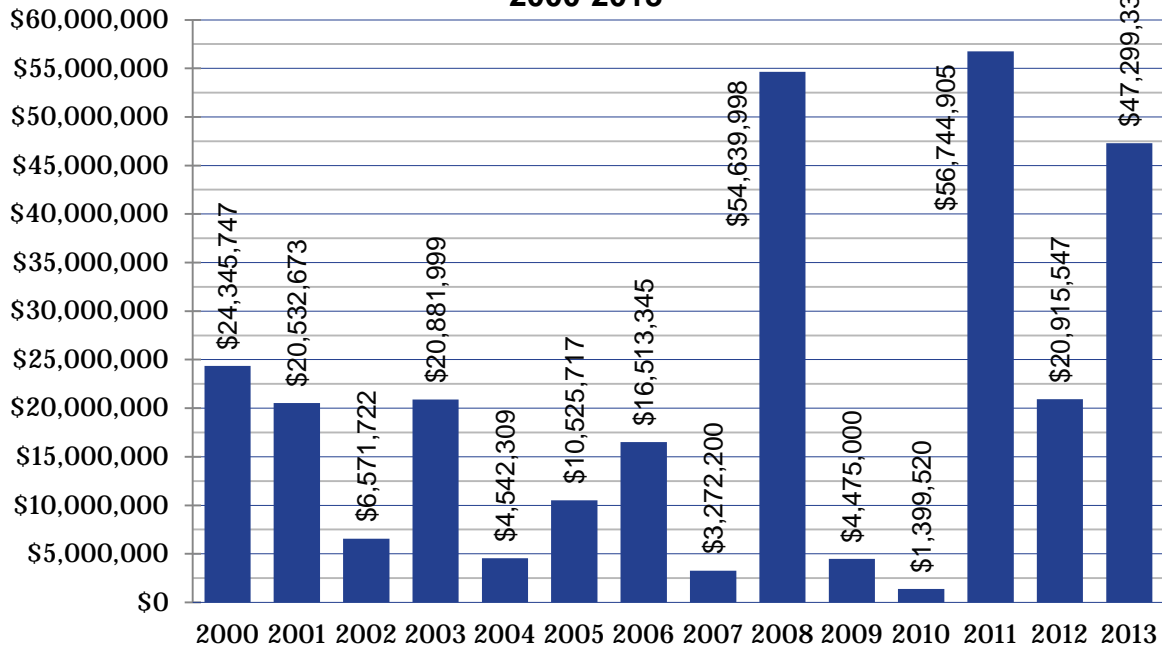
The City's population in the 2010 Census was 17,278 and the historical growth is shown in the table below. Based upon the number of permits issued since 2010, it is estimated the City's population as of January 1, 2014 is 19,500, an increase of approximately 2,300 residents. The City is expected to conduct a special census in late 2014/early 2015 to verify this estimate.



Commercial Development

In 2013, seven new commercial permits were issued totaling an assessed valuation of \$47,299,344, our third best year in City history; additionally, 28 commercial remodel permits were issued totaling an investment of \$12,817,696. While this was down from the record valuation of 2011, this exceeds the \$18.8 million average over the past 14 years as noted in the table below:

Commercial & Industrial New Construction Valuation 2000-2013



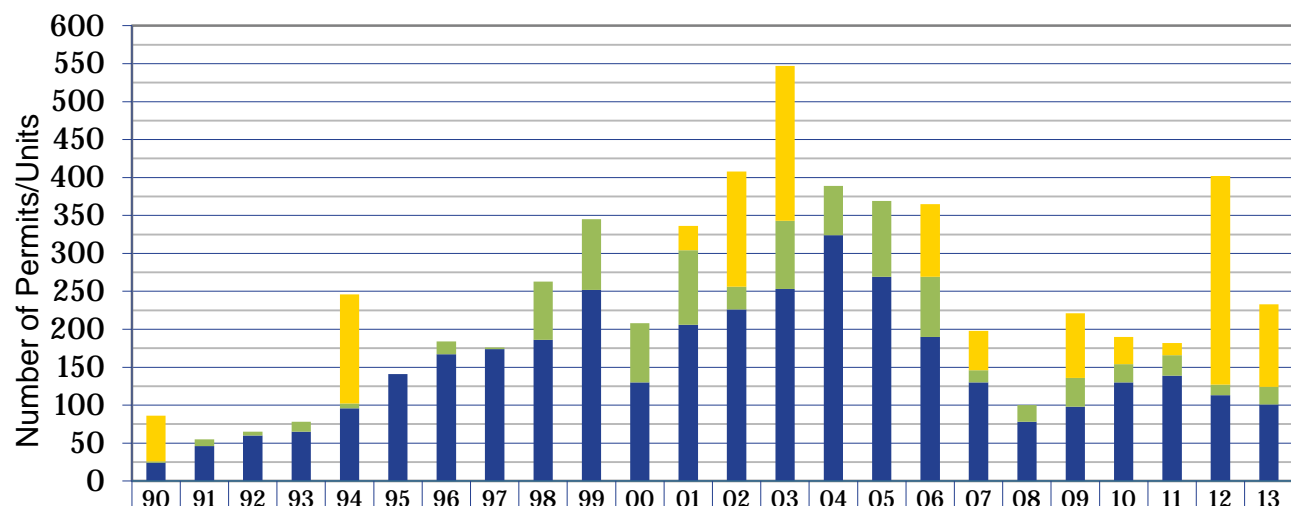
A summary of the projects that are included in the valuation noted above for 2013 are contained in the following summary of sites plans reviewed and approved in 2013:

Project	Square Footage	Description
5406 Merle Hay Road - ChildServe Therapy Addition	66,000	Addition to therapy facilities at existing campus
6523 Merle Hay Road - Pathway Church	11,992	Remodel existing commercial property for Church uses
5902 Merle Hay Road - Hy Vee Gas	3,027	Convenience Store
8325 NW 62nd Avenue - Pioneer Beaver Creek 2 Office/Lab	180,000	Office and Research Facility connected to Beaver Creek 1 Office/Lab
5950 NW 86th Street - Lot 2 Windsor Office Park Site Plan	11,400	Multi-tenant Commercial Building, including Jethro's BBQ, Jimmy Johns and two additional tenant spaces
5200 Merle Hay Road - Lithia Site Plan	19,950	2,300 square foot addition to Volkswagen Dealership and new 17,650 square foot building for Audi Dealership
7301 NW 62nd Ave. - Pioneer Mendel Headhouse Addition,	26,187	Construction/expansion of a growth chamber in the Mendel Greenhouse Complex
5525 NW 86th Street - Kum & Go Site Plan	4,992	Demolish existing and build new convenience store
5758 NW 55th St. - Site Plan Reapproval	1,020	Reapproval of site plan to convert single-family dwelling to office use

Residential Permits

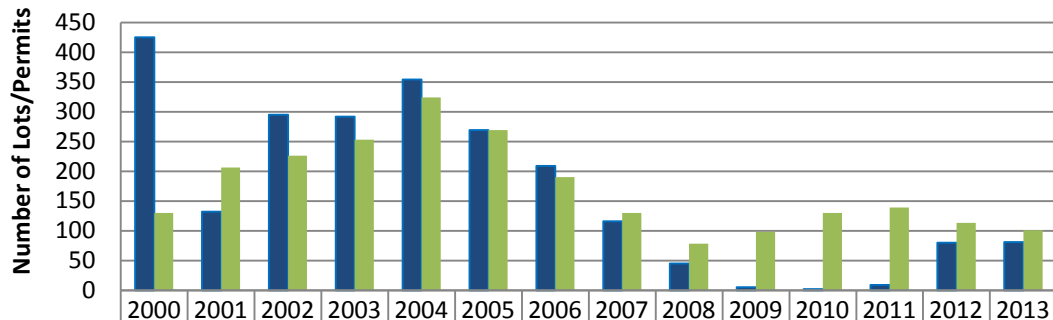
The most common measure of development activity in a community is the number of residential permits issued during the year. In 2013, single family detached permits were down from 2011 and 2012, totaling 101 residential units and \$33,452,000 in valuation. Without question, the strongest area of residential growth was in the multifamily high density residential development with six permits issued totaling 109 residential units and a \$17,664,000 investment. As the metro area recovered from the economic downturn starting in 2010, a strong market emerged for multifamily residential apartments, national trends and recent rezoning requests would indicate this trend will likely continue in Johnston at least over the next few years. The townhome market remains soft in Johnston and across the metro, with all permits being issued in projects which were developed several years ago; however, there appears to be a market emerging for detached townhome units that will likely cause a surge of townhome permits in the coming years. A summary of residential building permit history from 1990-2013 is provided below:

New Dwelling Units Permitted 1990-2013



One of the concerns noted repeatedly over the last several years has been the lack of available lots for single family detached residential, which has been the result of fewer and smaller subdivisions being developed as the area emerged from the recession. As noted in the chart below, since 2006 the number of new single family permits issued has exceeded the number of lots, thus the inventory of available lots has continued to shrink since that time.

Single Family Lots Created and Permits Issued 2000-2013



■ New Lots Created	425	132	295	292	354	269	209	116	45	5	2	9	80	81
■ Permits Issued	130	206	226	253	324	269	190	130	78	98	130	139	113	101

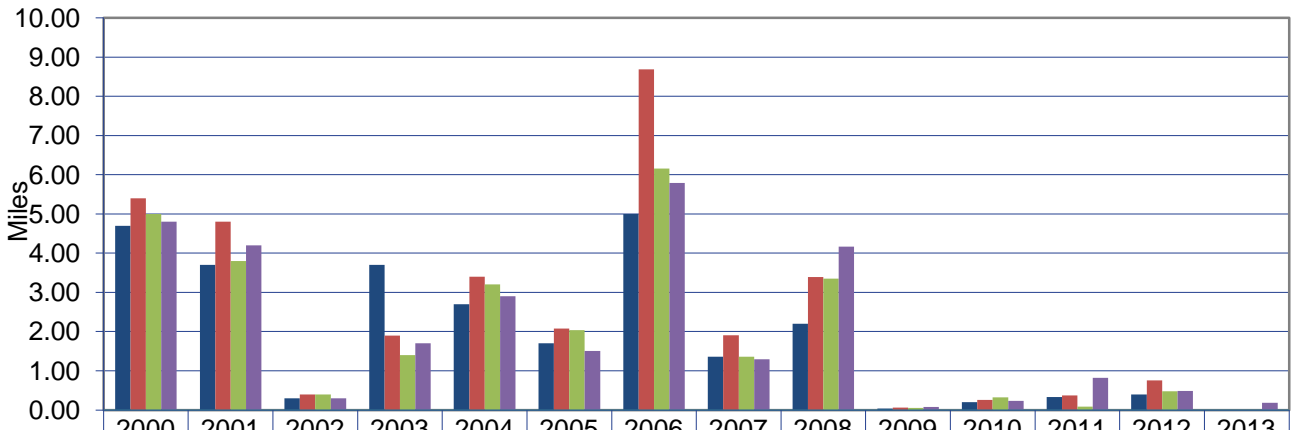
There are a number of things pointing to positive signs in 2014, notably, in 2013 the following residential rezonings and preliminary plats were approved with development expected in 2014. In total, properties have been rezoned to accommodate an additional 365 multifamily apartment units and residential preliminary plats have been approved to accommodate an additional 171 single family residential lots, which if completed, have the ability to reverse the trend noted in the chart above.

Residential Plats/Rezonings	Number of Units/Lots
Canterbury Woods Preliminary Plat Single Family Detached	16
Beaver Pines Plat 2/3 Preliminary Plat for Single Family Bi-Attached Units	36
Pinewood Glen Plat 4 Amended Preliminary Plat for Single Family Detached	49
Waterford Plat 1 Rezoning and Preliminary Plat for Single Family Detached	17
Chesterfield Heights Rezoning/Preliminary Plat for Single Family Detached	34
Northwood Rezoning from R-3 to PUD for Detached Residential Townhomes	39
Adam Ridge PUD Amendment to R-4 for Multifamily Apartments	228
Bella Strada Rezoning AR to PUD for Single Family Detached	19
Providence Pointe PUD Amendment to R-4 for Multifamily Residential Apartments	50
West Park Apartment Rezoning from PUD (CO Office) to R-4 Multifamily Residential	87

Public Infrastructure

Along with the overall decrease in number of lots being created, the total infrastructure (water, sewer, storm sewer and streets) constructed and dedicated to the City as public infrastructure in new subdivisions has been significantly lower than the long term averages since 2009, as depicted in the chart below:

Public Infrastructure Accepted by Fiscal Year in Miles 2000-2013



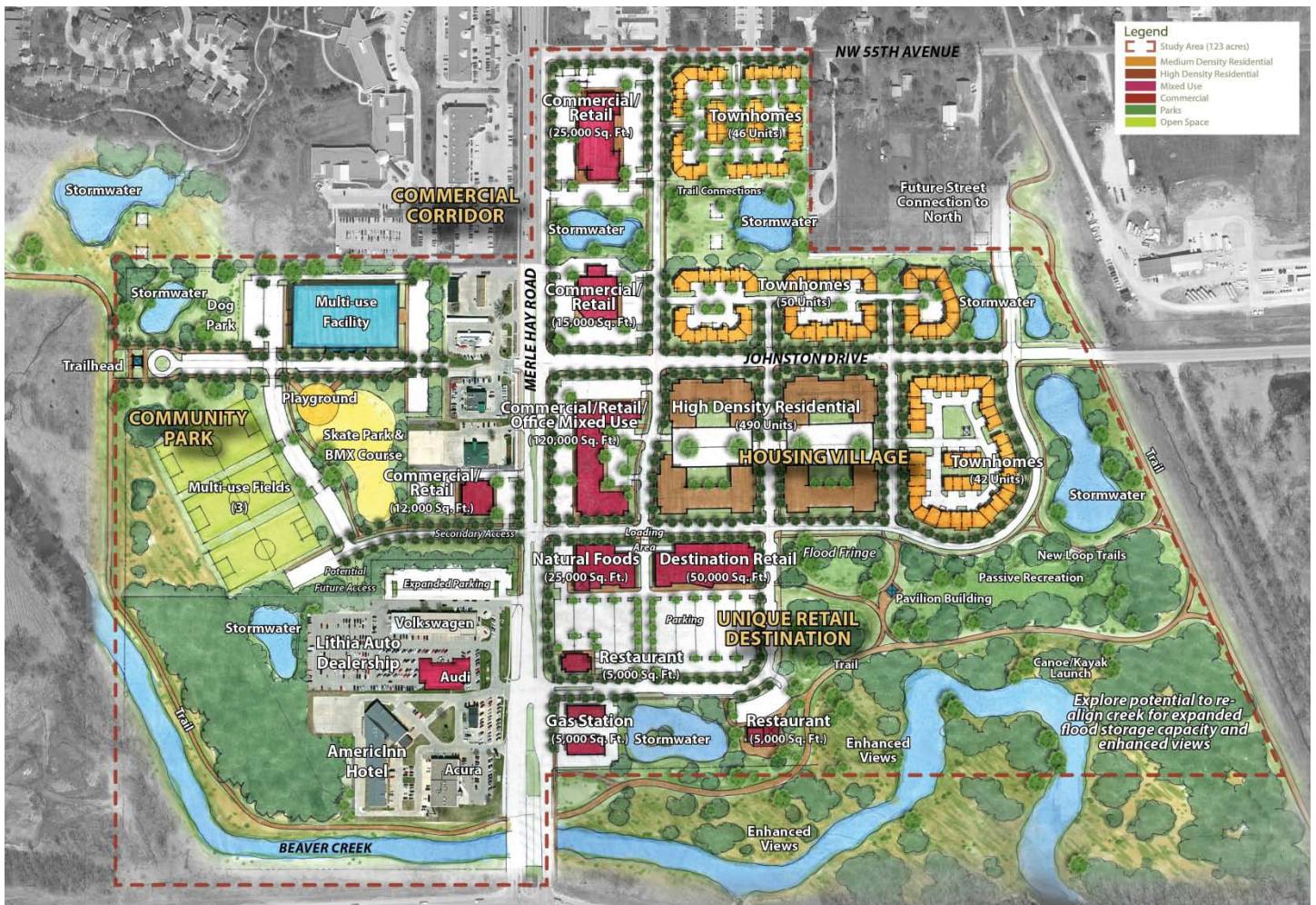
Streets	4.70	3.70	0.30	3.70	2.70	1.70	5.00	1.36	2.20	0.04	0.20	0.33	0.39	0.00
Water	5.40	4.80	0.40	1.90	3.40	2.08	8.69	1.91	3.39	0.06	0.26	0.37	0.75	0.00
Storm Sewer	5.00	3.80	0.40	1.40	3.20	2.04	6.16	1.36	3.35	0.05	0.32	0.08	0.48	0.00
Sanitary Sewer	4.80	4.20	0.30	1.70	2.90	1.51	5.79	1.29	4.17	0.08	0.23	0.82	0.49	0.18

Merle Hay Road Gateway Redevelopment Plan

On September 16, 2013, the City Council adopted the Merle Hay Road Gateway Redevelopment Plan after nearly a year-long planning process. The Gateway Area is 123 acres total and is defined as generally south of NW 55th Avenue along both sides of Merle Hay Road to Interstate 35/80. As one of only two gateways into the City from Interstate 35/80, this area is a recognizable and critical area of the City.

The master plan sees an opportunity to expand recreation and tourism with the addition of more canoe/kayak launches along Beaver Creek to provide more opportunities to get on the water. A planned outdoor recreation retailer could even use portions of the creek to test equipment and provide training and educational opportunities for those interested in water sports on the creek or nearby Saylorville Lake.

It will be a development that is truly a destination, either as a specialized retail destination, new hotel and conference center or a corporate office headquarters that would serve as a catalyst for transformation. With this plan in place the City will be actively working on marketing the area and the implementation strategies outline in the plan to begin the transformation process of the area. The concept plan is provided below, with a full version of the plan and additional information is available on the City website at <http://www.cityofjohnston.com/Index.aspx?NID=537>.



Merle Hay Road Gateway Redevelopment Plan Concept Plan approved September 16, 2013.

Conclusions

As documented in this report, the City has continued to maintain commercial and residential growth, while not at the previous levels, it seems that we've entered a "new normal." Following the growth dip in 2008/2009, there has been a recovery with consistent growth over the last four years. There are a number of trends emerging that would give some insight into what growth expectations we may have for 2014.

- Based upon the site plan/rezoning approvals over the last two years, it is anticipated the strong high density multifamily permit growth will continue into 2014, provided the market conditions remain strong for this type of housing.
- Based upon the number of lots approved through the rezoning/preliminary plat process, the number of new lots platted for single family detached properties should be the highest number since at least 2006/2007 leading to strong single family permit issuance in 2014 and into 2015.
- All signs point to continued strong commercial growth that will meet or exceed the recent averages.

- It is anticipated that construction will begin on the new Johnston High School located west of NW 100th Street at Ashton Drive in 2014, including associated road/utility improvements in the area, with the opening scheduled for August 2016. The construction activity and infrastructure improvements are anticipated to drive interest and development (residential and commercial) in the areas surrounding the school site.