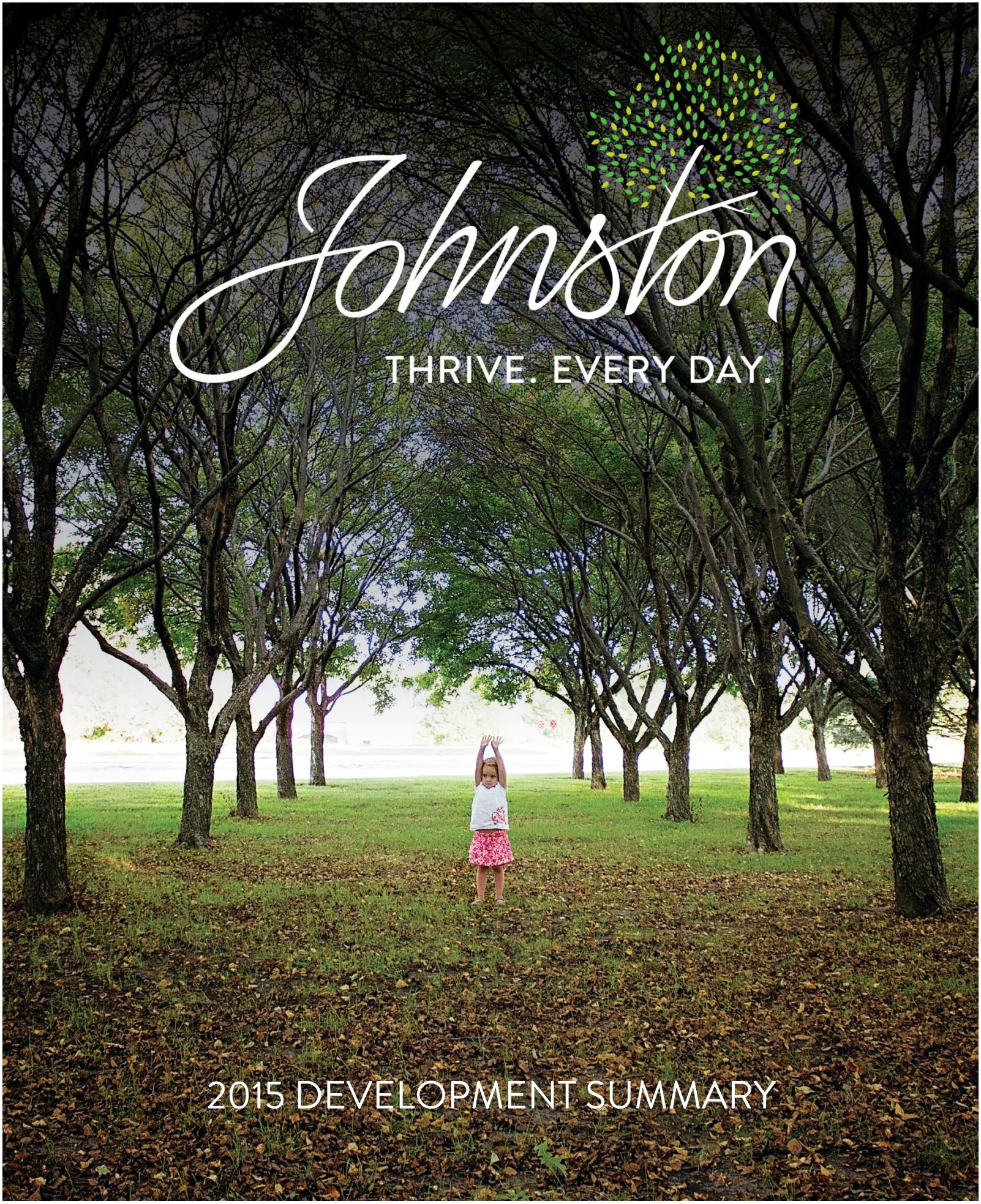

Johnston
THRIVE. EVERY DAY.
2015 DEVELOPMENT SUMMARY

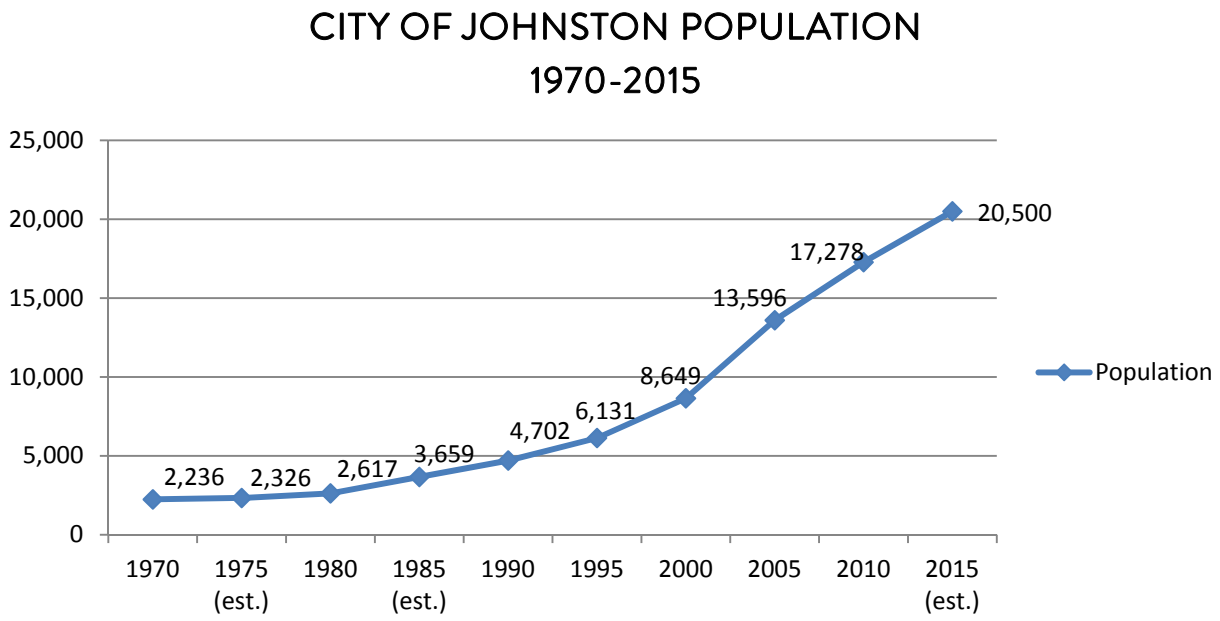
PREPARED BY:
DAVID R. WILWERDING, AICP
COMMUNITY DEVELOPMENT DIRECTOR
CITY OF JOHNSTON
6221 MERLE HAY ROAD, P.O. BOX 410
JOHNSTON, IA 50131
DEVELOPMENT@CITYOFJOHNSTON.COM
515-727-7775
WWW.FACEBOOK.COM/CITYOFJOHNSTONIOWA
@CITYOFJOHNSTON ON TWITTER
WWW.CITYOFJOHNSTON.COM

INTRODUCTION

Johnston has historically been a place where businesses choose to locate and residents choose to live, and that trend strongly continued in 2015. In total, $145,708,744 in new valuation was permitted in 2015. This document is a summary of that development activity and identifies trends we might expect into 2016 and beyond.

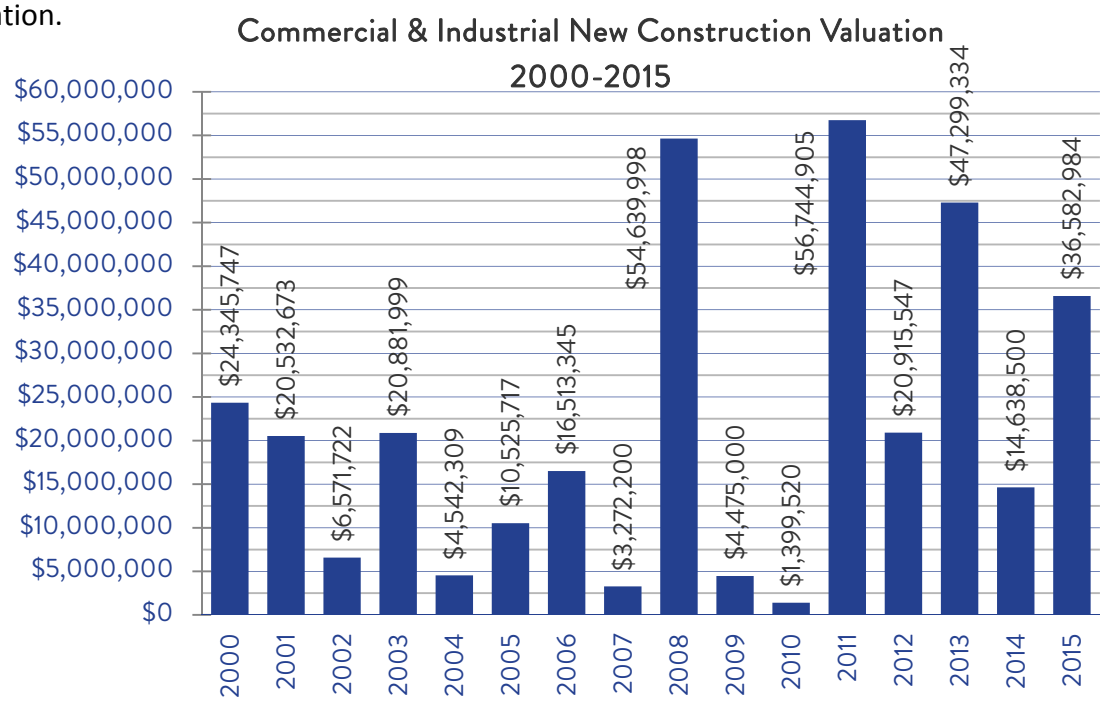
POPULATION PROJECTION

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, 2016 is 20,500, an increase of approximately 3,200 residents. In order to reap the revenue benefits from these additional residents, the City, in partnership with the U.S. Census Bureau, is currently conducting a Special Census to certify the current population. Results are expected by spring of 2016.



COMMERCIAL DEVELOPMENT

In 2015, eight new commercial permits were issued totaling an assessed valuation of $36,582,984; additionally, 28 commercial remodel permits were issued totaling an investment of $8,067,600. This represents the fourth best year in the City's history for new commercial valuation.



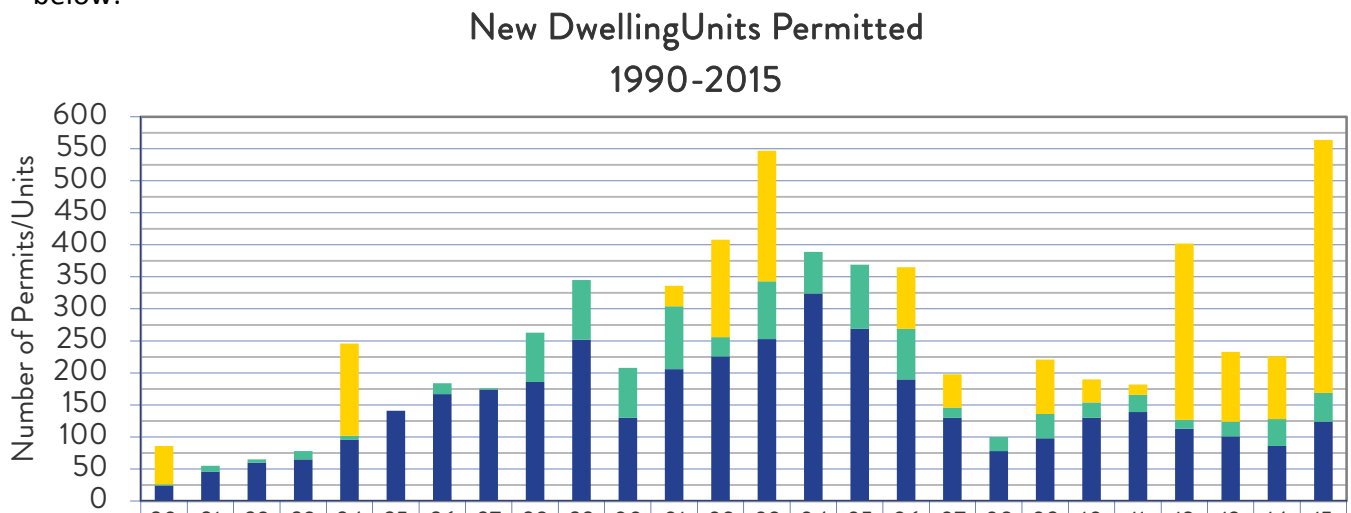
In 2008, 2011 and 2013, the high valuations can all be attributed to a single large commercial project that occurred during each of those years; however, 2015 reached a near record level through a combination of multiple smaller and mid-sized projects. A summary of these projects that are included in the valuation noted above are contained in the following summary of site plans reviewed and approved in 2015.

Project	**Square Footage**	**Description**
DuPont Pioneer Krug Insectory Expansion, 7301 NW 62nd Avenue	21,810	16,890 square foot two-story addition to Krug building insectory and 4,920 square foot courtyard enclosure to expand office space
Prairie Engineering, 5008 NW 57th Avenue	2,006	Office expansion
Fareway, 6005 Merle Hay Road	29,735	Grocery Store
Kum and Go, 5225 NW 86th Street	6,167	Demo of old store and reconstruction of new convenience store
Goodwill Industries, 5355 NW 86th Street	145,155	Reconstruction of vacant American TV property for use of retail store, central Iowa Goodwill headquarters and training facility.
Lithia Volkswagen, 5200 Merle Hay Road	16,333	Remodel of existing Volkswagen Dealership building, including 2,300 square foot showroom expansion.

RESIDENTIAL DEVELOPMENT

The most common measure of development activity in a community is the number of residential permits issued during the year. Based upon strong lot development in 2014, 2015 saw a resurgence of single family residential permit activity, totaling 124 residential units and $36,375,000 in valuation. Townhomes/duplex permits also remained strong with 45 permits totaling $8,360,000 in valuation. This is the highest number of permits for these types of units since 2006. While the townhome market has been soft in Johnston and across the metro in recent years, there appears to be a market emerging for detached or bi-attached townhome units. Based upon approved/pending projects it's anticipated this surge will continue into 2016.

Without question, the strongest area of residential growth continues to be in the multifamily high density residential development with 9 permits issued totaling 395 residential units and a $52,642,000 investment, the single highest total in valuation and number of new dwelling units in City history. 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. A summary of residential building permit history from 1990-2013 is provided below:

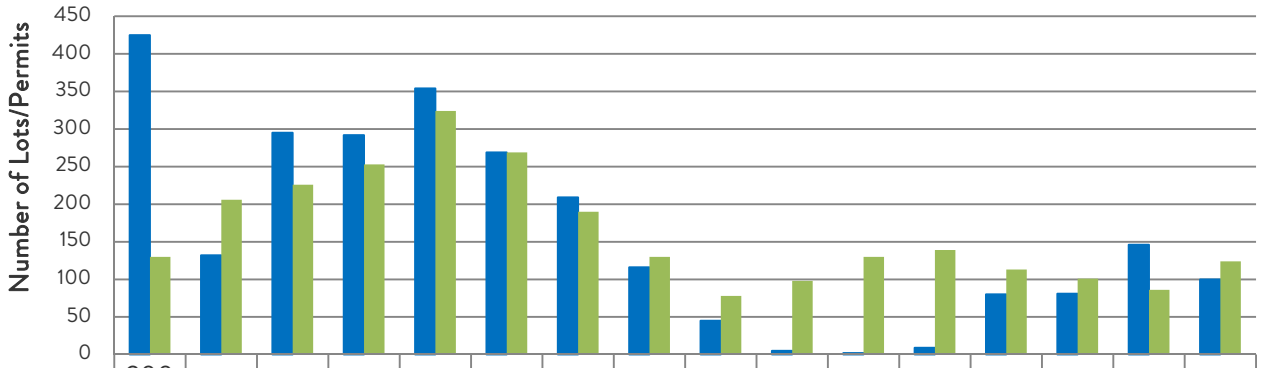


	90	91	92	93	94	95	96	97	98	99	00	01	02	03	04	05	06	07	08	09	10	11	12	13	14	15
Multi-family	60	0	0	0	144	0	0	0	0	0	0	32	152	204	0	0	96	52	0	85	36	16	275	109	98	395
Townhome	2	9	5	13	6	0	17	2	77	93	78	98	30	90	65	100	79	16	22	38	24	27	14	23	42	45
Single Family	24	46	60	65	96	141	167	174	186	252	130	206	226	253	324	269	190	130	78	98	130	139	113	101	86	124

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, from 2006-2013 the number of new single family permits issued has exceeded the number of lots, thus the inventory of available lots continued to shrink over that time. However, this trend changed in 2014 with the creation of 146 single family detached lots, and the permitting of only 86 homes, allowing for the expansion of available lot inventory. This availability led to a resurgence of permit issuance for single family detached structures in 2015.

While 2015 permit issuance again outpaced new lot creation in 2015, this was by a very small margin, 124 permits issued and 100 lots created. Thus the new lot creation is keeping pace with the permit issuance. While lot availability will remain a challenge going forward due to limited opportunities for large single family residential subdivisions, it would be expected that 2016 would again see enough lot creation to maintain strong single family permit issuance.

Single Family Lots Created and Permits Issued 2000-2015



	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
New Lots Created	425	132	295	292	354	269	209	116	45	5	2	9	80	81	146	100
Permits Issued	130	206	226	253	324	269	190	130	78	98	130	139	113	101	86	124

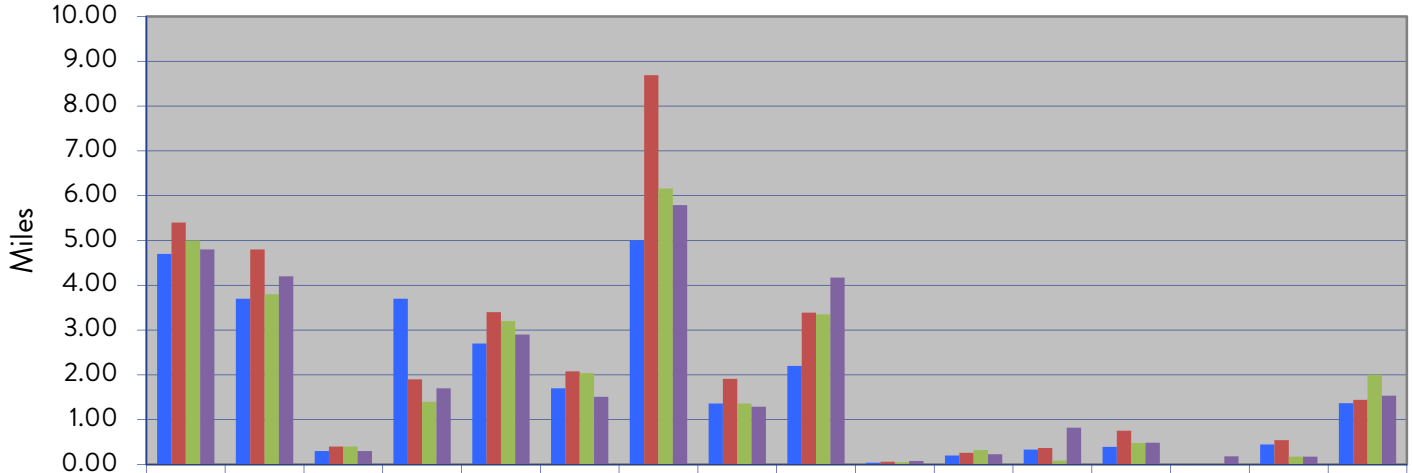
The following table summarizes the residential rezonings and preliminary plats/site plans approved in 2015 with development expected in 2016. In total, plans have been approved to accommodate an additional 240 multifamily apartment units and residential preliminary plats have been approved to accommodate an additional 86 single family residential lots and 19 townhome lots.

Residential Plats/Rezonings	**Number of Units/Lots**
Residences at 62W Apartment Complex	137
Hawkeye Estates Plat 2 Single Family Lots	1
Northwood Trail Single Family Detached Townhomes	32
Johnston Commons Brownstones Townhomes	19
Crosshaven Plat 6 Single Family Lots	47
Cadence Phase 2 Apartment Complex	103
Tucker Place Single Family Lots	4
Emily Acres Single Family Lots	2

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, however, due to the noted increase in plat activity in 2015, a significant resurgence occurred, as depicted in the chart below:

Public Infrastructure Accepted by Fiscal Year in Miles
2000-2015



	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
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	0.45	1.37
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	0.54	1.44
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	0.17	2.00
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	0.17	1.53

PLANNING STUDIES

Community Development staff undertook two major planning studies in 2015, including:

- High Density Residential Development Analysis: This study was conducted under the direction of the Comprehensive Plan Task Force, with the charge to review the Johnston 2030 Comprehensive Plan Land Use Map to determine if any changes are necessary specific to the location and quantity of areas designated for High Density Residential use. Ultimately, the Task Force took no action on any proposed changes to the Land Use Map but did recommend adoption of a set of criteria that would be considered for any future Comprehensive Plan Land Use Map amendments.
- NW Saylorville Drive Water and Sewer Feasibility Study: The City's Comprehensive Plan has long identified a future growth area in the area north of Camp Dodge adjacent to NW Saylorville Drive. This study determined the needed improvements to the water and sanitary sewer system and their estimated costs to serve this area so those improvements can be considered during the development of the City's Capital Improvement Program.

MERLE HAY ROAD REDEVELOPMENT – NORTH OF NW 62ND AVENUE

In 2007 the City Council adopted the Merle Hay Road Redevelopment plan focusing on redevelopment of properties on Merle Hay Road north of NW 62nd Avenue. Since that time the City has continued to work towards implementation of the Plan's recommendations. Two major accomplishments occurred in 2015:

- A ground breaking ceremony was held at The Cadence Apartment project within the Merle Hay Road Redevelopment area, redeveloping a 3.9 acre site assembled by the City by creating 90 new market rate apartment units. Construction of the adjacent NW 63rd Place connecting Merle Hay Road to NW 59th Avenue is underway and anticipated to be completed in 2016. The site plans for the second phase and an additional 103 units was approved in 2015, with construction anticipated in 2016.
- Johnson Brothers Distributing purchased the former Maurices warehouse in the northern portion of this redevelopment area and remodeled the facility for their use, maintaining a strong employment and tax base on this property. Excess land adjacent to this site remains for sale and would allow for continued investment in this redevelopment area.

MERLE HAY ROAD GATEWAY REDEVELOPMENT – SOUTH OF NW 55TH AVENUE

In 2013 the City Council adopted the Merle Hay Road Gateway Redevelopment Plan focusing on the redevelopment of properties on Merle Hay Road south of NW 55th Avenue. Combined, with the redevelopment plan noted above, these two plans have put a renewed emphasis on redevelopment of properties along the corridor and have increased involvement by the City in such redevelopment.

In order to continue the implementation of the Merle Hay Road Gateway Redevelopment Plan's recommendations, several major undertakings occurred in 2015.

- After an extensive tree survey and endangered species study was completed for the area along Beaver Creek east of Merle Hay Road in 2015, the City is now under contract with Foth Infrastructure and Environment to develop a tree clearing and management plan that would increase visibility to the development area, improve access to the regional trail and include other improvements within the area.
- Lithia Auto Dealerships are constructing a more than $6 million improvement to their campus, cut the ribbon on a new 14,000 square foot Audi building in 2015, and broke ground on an expanded and remodeled Volkswagen building with completion scheduled for 2016. This is all located in the heart of the Gateway Area, providing a catalyst to other improvements.
- The City acquired a 0.510 acre parcel at 5249 Merle Hay Road to hold the property for assembly and redevelopment as envisioned in the plan.

CONCLUSIONS AND TRENDS

As documented in this report, there are a number of trends emerging that would give some insight into what growth expectations we have for 2016.

- 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 2016.
- Based upon the number of lots platted in 2015, it is anticipated the issuance of building permits for single family detached homes will be maintained at a similar level as that seen in 2015.
- Due to the momentum caused by several successful projects occurring in the Merle Hay Road Redevelopment Area north of NW 62nd Avenue, this area will continue to be desirable, particularly for multifamily development.
- The City will continue implementation efforts to spur commercial redevelopment within the Merle Hay Road Gateway area.
- In 2015 the City unveiled a new Economic Development Guide which will be distributed to more than 11,000 site selectors, real estate agents and developers within Central Iowa and nationwide. An e-version is available at www.cityofjohnston.com/economicdevelopment. It is anticipated that citywide economic development efforts will see an increased focus and emphasis in 2016.
- All signs point to continued strong commercial growth that will meet or exceed the recent averages.
- Construction is underway at the new Johnston High School located west of NW 100th Street at Ashton Drive, and associated road/utility improvements in the area are also occurring, with the opening of the school scheduled for August 2017. The construction activity and infrastructure improvements are anticipated to drive interest and development (residential and commercial) in the areas surrounding the school site.