

TO: The Honorable Mayor and Members of the City Council

THRU: Michael D. McKnight, City Manager

FROM: Wayne E. Anthony, Director Planning and Growth Management

DATE: May 25, 1999

SUBJECT: **Report back regarding Cell One development statistics.**

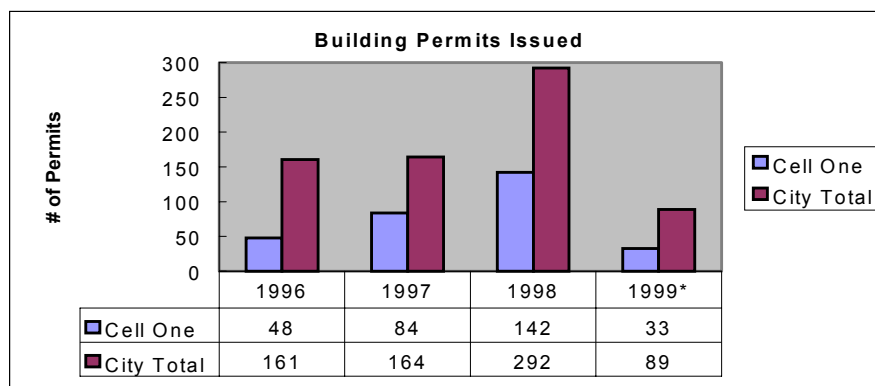
OVERVIEW

In order to address concerns relating to city stability, facilitation of development, growth of the city, and agricultural protection; the City of Peoria, County of Peoria and the Greater Peoria Sanitary District entered into various intergovernmental agreements in April, 1995. The agreements between the City, County and Sanitary District designated a focus area for development referred to as Growth Cell One. These agreements further provided: 1) for a unified development and regulatory process, 2) the City to fund the extension of sewer lines, and 3) the District refunding to the city the sewer connection fees and requiring all development to annex to the City within that cell at such time the sewer connection is needed. On November 1998, the City and Sanitary District amended the intergovernmental agreement in order to provide sewer service to approximately 130 acres on the north side of Hickory Grove Road.

Considering the short supply of undeveloped land for industrial use, a second growth cell was created. In September 1997, the City and Sanitary District entered into an agreement for the extension of sewers into the area designated as Growth Cell Two. An agreement with the County in June of 1998, provided for uniform regulations and review process, and provisions for the sharing of the Use and Occupation Tax. In addition, a letter of commitment between the City, County and State regarding roadway planning, specifically related to Pioneer Parkway extended and a Rte. #6 interchange within the Cell 2 growth area was authorized. This analysis is currently occurring.

CELL ONE STATISTICS

Cell One contains approximately 900 acres of which 730 are available for residential development. Sixty (60) percent of this residential acreage is in the development process. Over the last four years a significant percentage of residential building permits have been within Cell One. Of interest, is the number of permits issued in 1998 in Cell One almost equaled the total

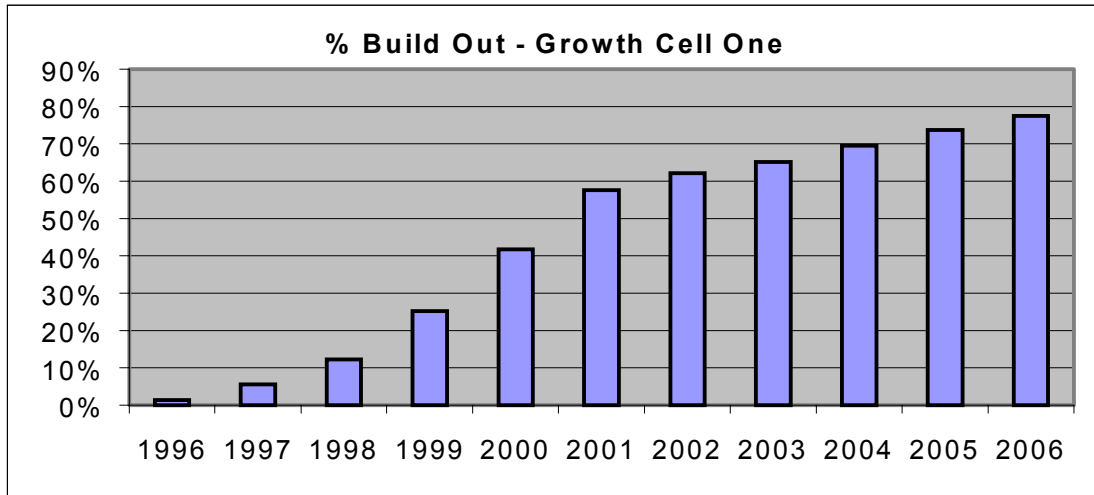


number issued in the city over all in 1996.

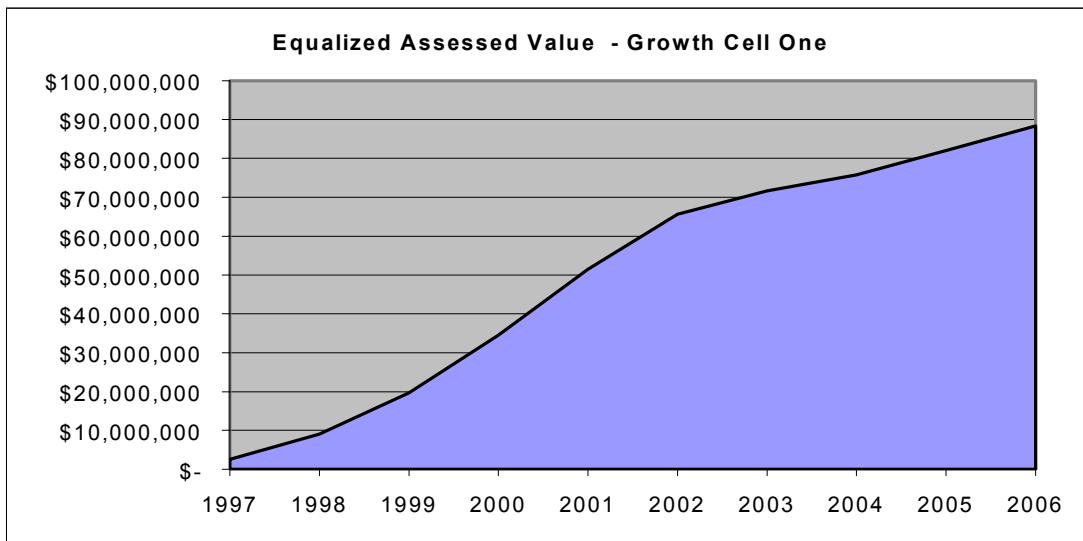
Approximately 50% of the residential permits issued in the City in 1997 and 1998 were for development in Cell One.

* Building Permits as of April 8, 1999

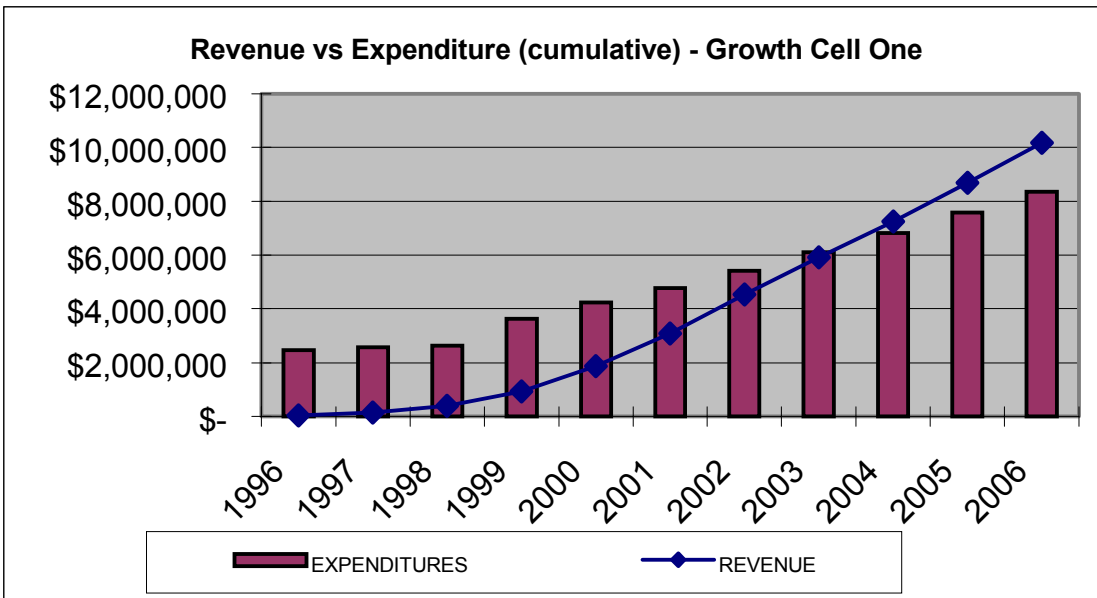
Using permit statistics from the last three years and developer anticipated schedules, an estimate for building out Cell One through 2006 was created. The build out schedule does not include those parcels which staff has had no indication that anyone is planning to develop. This acreage amounts to 294 acres of land that is designated for residential development. Activity on those parcels could occur at any time depending upon the owners' plans. (This schedule is attached as Appendix 1.) The schedule indicates the possibility of having 58% of all potential units developed or have building permits issued by 2001.



Estimated Equalized Assessed Valuations for a dwelling unit by development were obtained from assessment records, or where no current records exists, an estimate has been made by staff. Assessment estimates were used to partially calculate the expense and revenue spreadsheet. (See EAV Appendix 2)



An accounting of all revenue and expenses for development in Cell One has not been done. However, the major components of both are included in this analysis. The analysis would suggest that on an annual basis revenues will exceed expenditures from 2000-2006 ranging from \$310,000 - \$710,000. On a cumulative basis, revenues will exceed cumulative expenses in 2004. (Appendix 3 provides detail)



CONCLUSIONS

Approximately 50% percent of the 1997 and 1998 residential building permit activity occurred within Cell One. This activity would have occurred some place within the area but not necessarily in the City, resulting in an EAV enhancement loss of \$66 million from 1996-1999 and a potential for a \$180,000 lost of state distributions based upon population.

- A population loss of 1840 or failure to capture new growth.
- It is estimated that in 1995 residential development in the City accounted for approximately 13% of regional housing starts. It is roughly estimated that this number may currently be 22%. A reversal of the trend in the early 1990's.
- While the projections only go through 2006, it is anticipated that this cell will produce a positive revenue flow for the city by 2004.
- Cell One has allowed for the city to direct, concentrate and manage growth

RECOMMENDATION: Receive and file the report.