

Marshalltown Planning Review

September 30, 2020 by Community Lattice

Introduction

The City of Marshalltown is the population center and the county seat of Marshall County, Iowa. At the turn of the 20th Century, Iowa led the nation in agricultural products and ranked 17th in manufactured products. Modern industrialism transformed the economics and social life of Iowa and especially, Marshalltown. Over the past 30 years the community, Marshalltown and its urban core has steadily lost high-paying, white-collar jobs as two major companies (Lennox Industries and Fisher Controls) relocated their headquarters. This loss, among other factors, has resulted in vacant, deteriorating and/or underutilized buildings in the area surrounding these facilities. Recently, on July 19, 2018, Marshalltown experienced the destructive forces of an EF-3 tornado, which created additional devastation. And then again on August 10, 2020, the City suffered more damage from the 2020 Midwest Derecho that created winds up to 114 miles per hour. To drive recovery, the City responded to the 2018 tornado by quickly dedicated resources to downtown planning, rebuilding and revitalization, which continue to this day, evolving to adapt to the global pandemic and 2020 Derecho.

In partnership with Kansas State University Technical Assistance to Brownfields Program (KSU TAB), Community Lattice has been consulting the city as they seek to acquire an EPA Brownfields Community Wide Assessment grant to support recovery and revitalization efforts. The purpose of this document is to summarize elements of recent plans and studies that align with the goals and objectives of the EPA's Land Revitalization and Brownfields Redevelopment programs, as well as give the reader guidance on how the information in the plans relates to brownfields redevelopment strategies. This document is intended to be used to support grant applications, site selection, prioritization, reuse planning, community visioning, or other strategic planning initiatives.

Summary and Recommendations

Our planning review focused on four recent documents that reflect community need, economic conditions, and the community’s vision for revitalization and recovery, which are:

1. Downtown Master Plan (2019)
2. Highway 14 Corridor Plan (2018)
3. Housing Market Assessment (2018)
4. Marshalltown Market Study (2015)

Based on our review of the above listed plans and the city’s 2019 EPA Community Wide Assessment grant application, we agree that the primary target area to focus brownfields resources should be the area from Linn Creek north through Downtown. Recognizing that Marshalltown has a reputation as a destination city for the surrounding rural areas within a ~60-mile radius, the Linn Creek to Downtown target area has great potential to attract visitors and contains many brownfields redevelopment opportunities. Moreover, the southern edge of downtown Marshalltown has been designated an Opportunity Zone, which aligns the federal and state objectives and incentives for investing in these low-income census tracts. The following table summarizes brownfields redevelopment opportunities captured in recent planning documents:

Brownfields Opportunities	Description	Reuse Potential
Unity Point Hospital	Unity Point is relocating their main campus, which could exacerbate economic distress in the downtown area this large hospital complex is not reused. Reuse is complicated by known hazardous building materials and potential unknown environmental conditions.	There are several visions for this site including festival space, hotel, conference center, senior living, multi-use development, and townhomes.
Arts & Entertainment Gateway	This area is adjacent to railroad tracks and is in an underutilized industrial part of town. The area is characterized by high traffic volume, low property value, OZ designation, and street re-alignment related to HWY 14 Corridor study.	Proposed reuse plans are mostly related to food, drink, and entertainment, the number one desire of residents according to the 2015 market study.

Brownfields Opportunities	Description	Reuse Potential
Vacant Land	The Downtown Master Plan has inventoried vacant land in downtown. Vacant parcels in urban areas are often eligible for brownfields funding due to their perceived environmental risk. However, site assessments often demonstrate no recognized environmental conditions or low-cost solutions.	Vacant lots are potentially great opportunities for early action projects to revitalize a neighborhood. The Downtown Master Plan suggested reuse as potential pocket parks. Interim use could support local food trucks and related activities to create buzz for the longer-term Arts/Entertainment Gateway project.
Historic Preservation	Marshalltown is a destination city for the surrounding region. Historic preservation frequently aligns with brownfields redevelopment.	Historic preservation of downtown buildings for housing, food, or other commerce may help in recovery efforts by continuing to attract visitors to the city.
HWY 14 Corridor	South of Linn Creek, the viaduct area, and downtown sections of this corridor plan align with other plans as well as brownfields redevelopment.	Reuse plan opportunities include housing, food, and parks.

More detailed information related to each of the planning documents and how they relate to brownfields redevelopment strategies is included below in the Planning Review Notes.

Reviewer’s Note on Coronavirus Pandemic

It should be noted that these previous plans and studies do not reflect the current and unprecedented state of our world economy. With the coronavirus pandemic, as well as increasingly intensifying natural disasters in our country (and around the world), we recognize that long term revitalization plans must consider the rapidly changing ways in which global society and local communities are adapting.

In our opinion, market analysis and urban planning will need to be rooted in deep community engagement to capture behavioral trends in economic forecasting. Based on a combination of data and community surveys, Marshalltown’s current plans reflect the need to build:

- Higher end housing (both rental and owner occupied) units for smaller households (including younger singles/couples and downsizing older adults)
- More affordable 3+ bedroom rental units and single-family homes for working class and younger families
- More food/drink/entertainment retail options to draw/keep people downtown

With relatively stable employment opportunities at companies like JBS, Emerson/Fisher, the Iowa Veteran's Home, and Unity Point Hospital, as well with city and county government, the identified community needs above are not expected to change in the near future. However, as Marshalltown continues to implement current plans and conduct additional research, community leaders and redevelopment officials may benefit from a general awareness of national and international trends emerging from this pandemic.

For example, many urban professionals are seeking larger homes in less dense areas as more office jobs mandate work from home during the pandemic, and workers may have more opportunities to do so after the pandemic is over. Depending on how market trends and demand play out in Marshalltown in particular, it may be worth exploring the addition of more single-family homes for middle class residents from nearby cities *in addition to the higher end condos and townhouses and affordable working-class family homes as outlined in the plans*. In terms of retail, recent studies have shown that small businesses need an online presence to stay alive during this period of social distancing and quarantine. We expect this trend will continue as people are becoming more accustomed to online shopping, and younger generations prefer online shopping regardless of quarantine rules (67% of millennials prefer online shopping compared to 28% of seniors¹), meaning that post-quarantine online shopping will only continue to be more popular over time compared to brick and mortar retail as the younger generations age and still continue to shop online. The community desire and plans to increase food/drink/entertainment options downtown is a good long-term strategy, as these community gathering spaces will still be needed even as more retail commerce continues to move online.

¹ <https://evanstonnow.com/report-shop-local-wont-cut-it-any-more/>

Planning Review Notes

Downtown Master Plan (2019)

SUMMARY

The master plan encompasses sites proposed in the FY19 assessment grant. The plan addresses general planning visions by the community like better biking/walking, streetlights, streetscapes with trees, and general beautification projects, like with building facades. The plan only mentions brownfields once, but there are other indications of “brownfields,” for example:

- Underutilized/vacant lots as potential pocket parks.
- Festival space catalyst site proposed to be built on the old hospital site (included in grant proposal)
- Arts and entertainment gateway catalyst site – in OZ south of downtown, by the tracks in the industrial part of town (classic brownfields area)
- Historic preservation is a priority for downtown buildings
- Inventory already exists of sites for reinvestment interest

It should be noted that the 2012 plan explicitly acknowledges the large Hispanic community (~25% of Marshalltown) and summarizes the community meetings and committees for the Hispanic community; however, the Hispanic community was not overtly included in the latest downtown plan (aside from a side note on a new Hispanic grocery store). We’re interested in understanding why this dropped out of the 2019 Master Plan and how they plan to continue to engage with the Hispanic community and include them in revitalization efforts.

DETAILS

Planning Principles:

1. Encourage an 18-hour neighborhood where people can live, work, learn and play
2. Support a vibrant business economy along downtown streets
3. Develop a variety of downtown housing options
4. Create reasons and spaces for people to visit, socialize and celebrate
5. Protect and showcase downtown history, heritage, arts and culture
6. Enhance beauty, ecology and functionality of the public realm
7. Provide a safe, accessible, attractive and interconnected multimodal transportation network that prioritizes walkability
8. Raise the bar on quality and authenticity of the built environment
9. Expand and sustain downtown partnerships to achieve common goals
10. Balance creative vision with market reality
11. Address current opportunities while planning for an everchanging future

12. Embrace and engage Marshalltown's diverse community from planning through implementation

General notes:

- Downtown is a gap in park distribution for Marshalltown
 - Potential solutions are festival park at Unity Point site and pocket parks on vacant land
- Notes success of project and attracting private investment rests on mitigating risk, including "higher financing costs driven by perceived risk" – assessment will help to quantify and mitigate that risk
- City needs to be proactive in presenting opportunities and figures to developers – you have many of the facts and figures for these projects already – should come up with targeted materials for specific projects
- Good inventory of downtown properties and use – should update to include what has sustained damage from tornados, any owners looking to sell, and what is eligible for brownfields funding

Key quotes from plan that abide by brownfields redevelopment principles:

- *"The city will act as the 'master developer of improvements' in downtown, and as such will lead the financing and construction of infrastructure and enhancements to effectively position key parcels for investment and expedite building investment."*
 - Grant is interested in infrastructure needs/assets – call this out as a policy in Marshalltown
- *"Project costs in infill, and particularly downtown settings, are also frequently higher, while early project revenues are typically lower; however, long-term returns are nearly always among the highest in the community."*
- *"municipalities actually realize a higher return on investment from participation in redevelopment, rather than new development projects; and redevelopment projects have a more significant impact on property values among adjacent owners than do new development projects."*

Four catalyst sites

1. Downtown Festival Park – on Unity Point Property – will need assessment and fits in with brownfields initiatives for healthier communities and clean environments
2. Main Street Renovations – assessment has the potential to cover some of the site development costs to attract developers
3. North Pocket Cottage Homes – not very likely to align with brownfields funding as proposed, but alternative proposal of neighborhood development like this in the OZ is called out and could have more potential

4. Arts and Entertainment Gateway – fully aligns with brownfields program – old industrial properties, near railroad tracks, promotes economic development in an OZ (and as a bonus will fulfill the community desire to have more eating/drinking/entertainment venues)

Highway 14 Corridor Plan (2018)

SUMMARY

The area from the viaduct through downtown is ripe for revitalization and contains many brownfields, some of which are owned by the city. Detailed plans for revitalization are mostly found in the Downtown Master Plan; however, there will be some new unused land if streets are rerouted for this project, which would create great opportunities for small project wins related to brownfields. Moreover, this plan has a good framework for an iterative action plan, which is also applicable to brownfields projects.

DETAILS

The Hwy 14 Corridor Plan is largely focused on increasing the safety of the road and beautifying/utilizing the adjacent land. Community profiles were assembled, and public outreach was conducted in order to understand what the community needs/wants with respect to corridor improvements.

Plans include decreasing the road from 4 lanes to 3, improving conditions for cyclists and pedestrians, increasing tree planting/landscaping efforts, and revitalizing the abandoned/underutilized properties along the corridor to increase vibrancy and aesthetics. This may be a good opportunity to conduct a brownfields corridor study.

To outline potential redevelopment/reuse scenarios, the corridor is broken down into 5 areas:

1. South of Linn Creek
 - a. Heavy industry, access to creek trail
 - b. In OZ and HUD Revitalization Area
 - c. Any development will need site assessments
2. Viaduct Area
 - a. Vacant and underutilized properties, including buildings with historic character
 - b. Next to railroad, city already owns a lot of properties
 - c. In OZ and HUD Revitalization Area
 - d. Good location – two blocks south of Main St
 - e. Potential land opening when tear down ramps
3. Downtown
 - a. Hospital campus territory

- b. In HUD Revitalization Area
 - c. Suggestions for building reuse include hotel/conference center/senior housing
 - d. Supplement with mixed use infill
 - e. All suggestions need site assessments...
4. North Residential
 - a. Mostly single-family – exclude from brownfields analysis
 5. North Gateway
 - a. Residential next to heavy industry
 - b. Part of potential truck rerouting, industrial is utilized – table for now in terms of brownfields

From brownfields point of view, the northern section of this plan (North Residential and North Gateway) has less potential for eligible brownfields projects as the area is mostly residential with some active industry. The other three areas have strong potential for brownfields projects (underutilized/abandoned, historic industrial/hospital use).

The corridor plan offers good high-level recommendations on how to approach these projects. It would be good to call out that you already have an iterative framework in place to identify and carry out revitalization projects, and this would flow nicely into brownfields work. The main portions of the project action plan that dovetail with brownfields are:

1. Build the framework
 - a. Mostly centered around zoning, which will have to take place within city governments and councils to get properties ready for redevelopment
 - b. The recommendation to start a Marshalltown Land Bank would fit into brownfields programming – these properties will have to be assessed before working out deals for reuse
2. Recruit and communicate
 - a. Regular engagement with economic development, brokers, developers, and investors will be key to any redevelopment project, with or without brownfields support
 - b. The item “Provide outreach to owners of vacant or underutilized properties” will be key for brownfields
3. Incentivize
 - a. Participate in the Opportunity Zone Program – key for getting brownfields funding, so utilize plans that overlap
 - b. Participate in CDBG
 - c. Promote Iowa Redevelopment Tax Credit for Brownfield and Grayfield Sites – dovetails in with federal funding (can increase funding with green building)
4. Support

- a. Support a CDC
 - b. Schedule regular visits to owners of vacant/underutilized properties – keep communicating with them to get these properties revitalized or help them offload to someone who will – also feeds into land bank
5. Researching and investing
- a. Keep market studies and other information up to date to attract developers and assist with proformas (we can help with websites with automatic updates of data from the census and other government agencies)
6. Revise the framework
- a. Start at the top and go again, learning from past wins and losses

This plan also brings up a good point of starting small to achieve easy and early wins. Implement traffic flow ideas at one intersection (they recommend Main St), expand to a full block either way, and continue on. This idea can be translated to brownfields – turn one empty lot into a temporary pocket park (ideally in a highly visible area) to show that you’re moving on these plans. This could include relatively low-cost outdoor gathering spaces (needed during COVID-19) that could occasionally host low-key markets (fall harvest, holiday crafts/treats/hot drinks, spring flowers, etc.).

Housing Market Assessment (2018)

SUMMARY

Marshalltown needs more housing stock: most of what exists is old, there is low turnover, there are waitlists for rental properties (mainly for low income and/or senior residents), and commuters into Marshalltown aren’t interested in existing housing stock. The biggest gaps are in luxury housing (rent and own) for smaller households (younger singles and aging adults who no longer have kids at home) and affordable family housing (3+ bedroom rentals and modest/affordable/entry-level single-family homes).

The highest potential to satisfy housing needs with respect to brownfields has been identified in the Downtown Master Plan: housing on the old Unity Point Hospital site. Whether this is higher end/smaller units (condos, townhouses, luxury apartments), more affordable/larger units, senior living, or some combination thereof, this site has the potential to tackle some of the housing issues brought up in this report. Moreover, assessment of older, downtown properties (whether they’re the ones listed in this report or others that may have sustained damaged by one of the two recent tornados hitting Marshalltown in the past few years) could provide opportunities for mixed use developments that combine to tackle both housing and retail demand.

DETAILS

Demographics

- Older adult/senior households expected to increase faster than total households
- County labor force decreased by 7.2% 2006 to 2016
- Net inflow of workers (2k more workers commute into Marshalltown than commute out)

Housing Market

- Small household size for rental market (1-2 people), but over 1/3 is >3 people
- Prices higher than pre-downturn, low inventory (seller's market)
- Single-family homes most prevalent and still most desirable for ownership
 - Newer homes high-end, could also use some more modest single-family homes for lower-middle income/starter homes
- Just over half jobs are commuters outside the city
 - Housing stock not attractive to commuters
- Most (11/18) rental housing south of Linn Creek, only 3 in downtown area
- Recommend a mixture of units targeting multiple income levels, a higher percentage of three-bedroom units to serve low-income families, and additional project-based subsidies if possible, to serve very low-income renter households.

Subsidized/senior housing

- 5 income restricted (tax credit) and 3 Section 8 communities
- All subsidized rental communities fully occupied with waiting lists
- Senior housing full – LIHTC vacancy rate of 1.9% (2 units), HUD and market price assisted living full and have waiting lists
 - Have some new developments in progress, which will likely satisfy this demand

Potential brownfields tie-ins

- City developments include: new public safety development on S. 2nd St., soccer fields, downtown pocket park, and Linn Creek trail expansion – are any of these on brownfields?
- Potential housing development sites (5 total, 2 greenfield, one former community pool outside geo range)
 - Upper floor units in downtown buildings
 - Old fire station

Marshalltown Market Study (2015)

SUMMARY

In terms of retail, people are interested more food/drink/entertainment options and a general clothing store. This is echoed by people who would be interested in living downtown, but they desire upscale housing options and completed beautification of building facades and streetscapes. These elements are incorporated into the Highway 14 plan and the Downtown Master Plan.

One thing we don't see in the analysis is a breakdown of residents vs. workers. Business owners state that their main customer base is locals (95%), but we know that many of the higher paid workers at Emerson/Fisher do not live in the area. Some of this is addressed in the 2018 housing study looking at the inflow/outflow of workers, but more detail could be fleshed out. If it is of interest, we can try to bring in county business statistics on the workforce in the area, which would not necessarily be the same as the stats for the residents.

DETAILS

Marshalltown retail businesses largely cater to the residents of the town and surrounding rural areas (~60 mile radius). They have a large local base that likes the character of downtown, but internet retail is a threat. There is a concern that chain stores could come in, taking away from local businesses and changing the character of downtown.

Overview of downtown businesses

- Retail
 - Apparel and accessories – 7 stores
 - Home furnishings – 6 stores
 - Antiques – 3 stores
 - Jewelry – 3 stores
 - Hobby/Sports – 2 stores (yarn and bike)
 - Grocery – 6 ethnic stores, two liquor stores
- Dining – 25 establishments, all locally owned and independently operated
- Lodging – one hotel, 11 rooms
- Personal and Business Services – 80 establishments
- Culture and Arts – theater, a couple small local history museums
- Community Services – city/county services

Community Survey Results

- People mostly visit downtown regularly for errands (41%), but there are a substantial number that come into town for eating/drinking/entertainment (34%); only 7% come to downtown specifically to shop

- People mentioned online shopping is one reason they don't bother coming downtown to shop
- Top things that would make people visit downtown more often
 - Food and drink (62%)
 - Coffee, bakery, and sandwiches were called out
 - Micro brews and wine shops
 - Outdoor dining/drinking specifically asked for
 - Clothing stores (25%)
 - General clothing, especially men's
 - Hobby stores (15%)
 - No bookstore, but hard in this internet market...
 - Want to capitalize on traffic from walking/bike trails – good opportunity to bring in the one bike shop to help promote transit planning changes
- Marshalltown rating (quality >= other locations)
 - Customer service: 73%
 - Quality of dining: 62%
 - Variety of dining: 42%
 - Variety/selection of shopping: 8.5%
- Consumers and businesses both place a high (65%) importance on creating incentives for new and expanding downtown businesses
 - Consumers also want to diversity the mix
- 48% of businesses have been downtown for over 10 years, 10% less than one year
 - Means it's stable, but also potentially stagnant – need to think about new and shifting needs of the community
 - Especially true with respect to minority population – went from <1% to ~25% in 20 years – STAY PLUGGED INTO THIS COMMUNITY
- Business owners claim primary customer base is mainly local (95%)
 - Only 2.5% cater to downtown employees – potential market to be explored
- 11% of business respondents wanted help with selling their building and/or business – this is a potential brownfields opportunity

The ESRI surplus/leakage analysis shows that downtown has a leakage for lawn and garden, motor vehicle, and home supply stores; however, none of the survey results support that this is what the people want and would draw them downtown. The town recognizes the shift to a more service-oriented society, so they should focus on this, as this already brings vibrancy downtown and will continue to do so.

Another survey was conducted to see who would be interested in downtown living. The highest percentage of respondents fell into the 24-34 (29%) and 55-64 (22%) age brackets. These were predominantly 2 person households (45%) in higher income brackets (\$75k+).

Preference to rent vs. own were pretty split. Of those who would consider living downtown, they wanted to see the following improvements:

- Restore historic features and improve appearance
- Higher end housing for professionals
- Increase variety of retail/restaurants and increase hours of operation

Action steps for implementation that dovetail into brownfields are:

- Cross marketing campaigns (get departments, businesses, and developers involved)
- Maintain property and business inventory, including available properties (promote environmental data that have been collected on the property as well)
- Work with local, regional, and state tourism boards to promote downtown (any brownfields to parks)