

MINUTES OF THE SPECIAL MEETING OF THE AMES CITY COUNCIL

AMES, IOWA

SEPTEMBER 15, 2015

The Ames City Council met in special session at 6:00 p.m. on the 15th day of September 2015, in the City Council Chambers in City Hall, 515 Clark Avenue, pursuant to law with Mayor Ann Campbell presiding and the following Council members present: Gloria Betcher, Amber Corrieri, Tim Gartin, Peter Orazem, Matthew Goodman, and Chris Nelson. *Ex officio* Member Sam Schulte was also present.

5-DAY CLASS C LIQUOR LICENSE FOR OLDE MAIN BREWING COMPANY: Moved by Nelson, seconded by Corrieri, to approve a 5-day (September 22-26) Class C Liquor License for Olde Main Brewing Company at Reiman Gardens, 1407 University Boulevard.

Vote on Motion: 6-0. Motion declared carried unanimously.

CONTRACT AND BOND FOR POWER PLANT FUEL CONVERSION - UNINTERRUPTED POWER SUPPLY (UPS) SYSTEM: Moved by Goodman, seconded by Betcher, to adopt RESOLUTION NO. 15-569 approving the contract and bond for the Power Plant Fuel Conversion - Uninterrupted Power Supply (UPS) System.

Roll Call Vote: 6-0. Resolution declared adopted unanimously, signed by the Mayor, and hereby made a portion of these minutes.

LAND USE POLICY PLAN (LUPP) UPDATE: Planning & Housing Director Kelly Diekmann reviewed the direction given by the City Council after the discussion on June 23, 2015, on the scope and approach of the 2040 LUPP Update process. In summary, Council had directed staff to prepare an alternative approach that focused on a two-phase strategy that included:

1. Phase 1: Addressing immediate needs and to ensure that the development needs of the City for the next five to ten years are accommodated.
2. Phase 2: Completing a total re-write of the LUPP in the next five years.

Phase 1. Mr. Diekmann advised that to address the Council's comments of ensuring that adequate land is available to meet the needs of development for the next five to ten years, staff assessed what the readily serviceable areas are for development. "Readily serviceable residential land" was defined as vacant land within the City or in a Growth Area abutting the City that is owned by a developer who is likely to seek development of the land. Readily serviceable commercial and industrial lands include vacant land zoned for development in the City.

Single-Family. A map was shown of residential development sites and pending multi-family development requests. According to Mr. Diekmann, staff had counted approximately 370 single-family lots that are approved, but not yet final-platted. Those are located in Quarry Estates, Hayden's Crossing, Sunset Ridge, and Scenic Valley. The count did not include existing platted vacant lots that are within additions of subdivisions that are already final-platted, e.g., Somerset and Northridge Heights. In accordance with the LUPP, there is roughly an additional 300 gross acres available to be zoned to FS-RL and subdivided for single-family homes for the potential development of 750 to 1,000 single-family homes. In total, staff estimates that there is readily available land to accommodate single-family development of 1,100 to 1,370 homes for 3,000 to 3,800 people without any changes to the current LUPP. The estimate did not include any build-out

of the Southwest Growth Area along South Dakota, the Northwest Growth Area, or the addition of lands to the North Growth Area. Mr. Diekmann stated that staff had not projected future housing needs in terms of mix of housing types, but has accounted for single-family home development trends. The 15-year trend for single-family is approximately 100 units/year with recent construction at approximately 80 homes/year. At the long-term average of 100 units/year, there is a ten-year supply of readily developable land for single-family home development. Even with development at the highest peak of 264 units/year, there is approximately five years of development potential.

Council Member Gartin asked if it would be beneficial for staff to look at Building Permits in surrounding communities. He had been told by many people that they preferred to live in Ames, but housing was not available. It seemed to Mr. Gartin that people, from their comments, had chosen to build in other cities because of a lack of lots in Ames. By looking at that data, it might indicate what the true demand for housing is in Ames. Mr. Gartin also noted that the price of lots should be factored in. Some people have chosen to build elsewhere because it is less-expensive. Mr. Gartin suggested that it might be valuable to talk to a couple realtors about this.

Multi-Family Housing and Apartments. According to Director Diekmann, there are approvals for more than 300 units and 1,050 bedrooms to be constructed in the next two years that have permits issued for construction or with site plan approvals. ISU is also adding 784 dorm bedrooms in the next year. There are pending requests at various stages of review to designate 110 gross acres of additional land for multi-family apartment housing. If all of those were to be developed along with the small amount of existing medium- and high-density-zoned land, it would yield an additional 900 to 1,400 apartment units and 2,000 to 3,500 bedrooms. The total of approved, but not yet built, with pending requests is 1,200 to 1,700 apartments for 3,000 to 4,500 bedrooms of development; that number does not include any ISU housing expansion projects.

Mr. Diekmann noted that the estimate of apartments does not follow the LUPP projection that 20% of the New Lands areas described as FS-RL will be developed with apartments rather than single-family homes. If 20% of the net acres of FS-RL land were developed as apartments, there would be approximately 420 additional apartment units available and 80 fewer single-family homes.

The Council was told that development trends for apartment buildings have averaged 296 units and 725 beds/year for the past six years (2010 - 2015). Much of the apartment growth has been fueled by substantial increases in student enrollment at ISU. Following the recent apartment development trends, staff estimates between four and eight years of potential multi-family development capacity at the high level of demand that the City has seen recently. If demand returns to a more normal rate due to slower enrollment growth by ISU, the apartment development potential is probably more of a seven- to fifteen-year supply compared to the four- to eight-year estimate.

According to Mr. Diekmann, staff's conclusion is that there is readily available residential land for development that meets the immediate development needs for single-family and multi-family. However, diversity is challenged by having single-family focused mostly in the north and multi-family options scattered through the central and southern areas of the City.

Commercial and Industrial. Director Diekmann stated that the City has a substantial amount of land available as vacant commercial and industrial land. This includes the substantial amounts of commercial area on 13th Street, the recent Research Park Expansion, and various lots around Bell Avenue and Dayton Avenue. There are approximately 150 net acres of vacant General Industrial, 100 net acres of Planned Industrial, and 107 net acres of Research Innovation District zoned land

currently available for development. The existing inventory of zoned Industrial land totals 356 acres and provides development opportunities for 3,500 to 8,000 jobs depending on industrial uses versus more employee-intensive office uses. The City is also contemplating an industrial area expansion along Lincoln Way east of I-35. Preliminary estimates are that it would allow for near-term opportunities of 1,000 gross acres of land for industrial development. It is assumed that much of that area would be General Industrial with lower employee counts per square foot; it could provide opportunities for approximately 10,000 jobs.

Mr. Diekmann reported that the City is estimated to have approximately 31,000 jobs as measured by the U. S. Census Bureau in 2013. With just the existing zoned lands projected at 8,000 jobs, the City has the capacity for a 25% increase in employment. With the additional area of the East Industrial Expansion, the City would have a 60% increase in employment. It appears that there is enough available Industrial land to far exceed the City's potential employment growth for the next ten years.

Council Member Betcher questioned how the prospective 25% increase in industrial jobs will impact the acres for single-family housing. In other words, would that cause a large increase in the need for residential land. Mr. Diekmann said it could; however, the City does not know how many employees will come with the industrial jobs. City Manager Schainker noted that the changes to the Plan are only to work for the next five years; after that, there will be a total re-write of the LUPP to project out long range. Council Member Orazem shared that Ames is not prepared for a manufacturer that needs up to 700 acres. Council Member Goodman said it is important to balance infrastructure costs against the immediate need for more land. He pointed out that if the land "doesn't pop" right away, the City might be pressured for other incentives, such as abatement.

Mr. Diekmann reported that there are approximately 200 net acres of vacant commercial land plus the 235 net acres of Regional Commercial. He pointed out that Commercial land needs are difficult to evaluate as they are often location-specific to certain uses. According to Director Diekmann, there appears to be a substantial amount of land overall to meet the varied commercial business needs for the next five to ten years.

Phase 1 - Scope of Work. Mr. Diekmann advised that, if the Council accepts staff's conclusions, a few specific issues remain to be addressed concerning implementation of the LUPP and serving new development. Staff believes the following are the highest-priority tasks to address in the next two years as part of the LUPP Update.

1. Include Residential High-Density Policies in the LUPP. Based on former discussions of the Council, it is believed that there is a need to add language to the LUPP to describe the City's interests in multi-family housing. The existing LUPP does not address high-density housing expansion and only includes assumptions of developing small-scale medium-density apartments in New Lands. Mr. Diekmann advised that text amendments to the LUPP will be needed to address potential expansion of high-density housing options.
2. Update the Circulation Element to Reflect City Policies on Transportation Infrastructure. According to Director Diekmann, Chapter 3 of the LUPP (Circulation Element) is outdated in addressing multi-modal transportation options. The work from the recent 2040 Long-Range Transportation Plan (LRTP) provides the technical background to review policy needs for the City and to adopt City-specific policies to guide planning and infrastructure for transportation needs. This would include updating the arterial/collector street maps, bike routes and pedestrian

facilities, and policies for transportation impacts and mitigation; that would need to be coordinated with the Public Works Department.

3. East Industrial Area Expansion and Master Planning. Creating opportunities for a new industrial area east of I-35 requires review of the LUPP's policies for employment and growth expectations along with Fringe Plan amendments to allow for annexation. Master planning is required to project land use needs and coordinate facility infrastructure extensions to serve the area. This will require coordination with the Public Works Department, Water and Pollution Control Department, and City Manager's Office.
4. Fringe Plan Review and Master Plan for the North Growth area (GW Carver/Cameron School Road). The North Growth Area has the highest concentration of growth in the next few years. The LUPP and Fringe Plan are not in complete sync about future annexation and growth interests for the City. Additionally, there is developer interest to add area that could be annexed to the City. Staff needs to review potential development options for the area and review the City's ability to serve the area, especially for sanitary sewer and transportation capacity. The result would be a master plan of generally acceptable development types of housing and commercial, location and intensities of development, and the general circulation needs for areas that may be annexed to the City. According to Director Diekmann, this would potentially require amendments to the LUPP and to the Fringe Plan.
5. Southwest Growth Area Master Planning. This area has long been a priority for growth of the City, but it needs a more in-depth review of utility service plans and expectations of development types to make it ready for development. The Master Plan would involve the types of uses desired for the area coordinated with an overall circulation system and utility services. The goal would be to have a master plan in place to guide expectations for utility extensions and for development to be able to begin in 2020.
6. Lincoln Way Corridor Plan. Mr. Diekmann recalled that Council had separately directed staff to work on a corridor plan for Lincoln Way. He stated that staff will initiate an RFP for a consultant to carry out this project this Fall. The Lincoln Way Corridor Plan will take the approach of an urban design plan to identify opportunity sites for revitalization and enhancement and to address Lincoln Way's potential as a signature street for Ames. The Plan will consider the diversity of uses along the corridor, strategic opportunities for redevelopment and infill opportunities, transportation facilities, and creating a cohesive identity and beautification along Lincoln Way. The Plan will specifically include options for new building types for neighborhood infill and revitalization. It will also look at options for commercial/residential mixed-use options in the HOC zones along the corridor. Outreach for the Plan will include assessments of neighborhood interests, commercial and employment interests, ISU, and Department of Transportation.

Pertaining to Phase 2, Director Diekmann advised that it would be a complete rewrite of the LUPP. The intent is to have a new LUPP in place in approximately five years. To accomplish this there would need to start the update in earnest in approximately two years and allow two to three years of time to complete the project. Significant issues would be addressed by Council prior to initiating Phase 2, e.g., City Council would need to define the extent and approach to civic engagement, style and format of the Plan, planning horizon for technical evaluation, and specific topics or issues to be addressed in the update.

Conclusions of the report were presented by Director Diekmann, as follows:

1. Adequate land resources are readily available for the next five to ten years of growth.
2. No single-family LUPP amendments are needed to meet projected growth.
3. Multi-family housing continues to be reviewed on a case-by-case basis.
4. There are abundant options for commercial and industrial expansion.

Phase 1 Strategy. Director Diekmann described the Strategy for Phase 1, which included the following:

1. Include Residential High-Density Policies in the LUPP.
2. Update the circulation Element to reflect City policies on transportation infrastructure.
3. East Industrial Area Expansion and Master Planning.
4. Fringe Plan Review and Master Plan for the North Growth area (GW Carver/Cameron School Road).
5. Southwest Growth Area Master Planning
6. Lincoln Way Corridor Plan

Mr. Diekmann advised that most of the work for those six tasks will be done by staff due to the scope of the work.

Funding for Phase 1 and 2. Mr. Diekmann recalled that the City Council had appropriated \$225,000 for the LUPP Update, \$80,000 for the Lincoln Way Corridor Plan, and \$50,000 for the East Industrial Master Plan. He reiterated that City staff will perform the majority of the tasks in Phase 1 for added information to the LUPP. It is believed staff will only rely upon consultant assistance for specific projects that require significant studies or creation of plans, such as the Lincoln Way Corridor Plan and the Southwest Master Plan. If Council approves the phasing as proposed by staff, most of the \$275,000 will be carried forward until needed for Phase 2.

Council Member Betcher asked if the scope of work for Phase 1 was manageable for the Planning Department to handle even if it is under-staffed. Director Diekmann stated that an Assistant Planner was just hired and will start on Monday. A Planner position is still vacant. Mr. Diekmann noted that Phase 1 will take approximately 16 months to complete, and it is hopeful they will be fully staffed during that time period.

Mr. Diekmann asked staff to approve the two-phase approach and six tasks for updating the LUPP.

Ex officio Member Schulte asked if the City was prepared for the increased student demand. Mr. Diekmann referenced the information that he had presented in January 2015. In summary, when staff reviewed the ISU student enrollment growth versus apartment growth, it was determined that there was approximately a one-year lag in apartments matching enrollment. What that also meant was that it also left a gap for other segments of the market that were not students and placed an additional demand for other multi-family housing.

Council Member Nelson brought up the issue of affordable housing. Mr. Diekmann said that he will be bringing more information to the Council on that topic in the near future.

Public Input. No one requested to speak.

Moved by Goodman, seconded by Betcher , to approve the two-phase approach and six tasks for updating the LUPP.

Vote on Motion: 6-0. Motion declared carried unanimously.

COUNCIL COMMENTS: Moved by Orazem, seconded by Gartin, to refer to staff the e-mail from Haley Melby dated September 3, 2015, pertaining to parking on Story Street, between Westwood Drive and Marshall Avenue.

Vote on Motion: 6-0. Motion declared carried unanimously.

Moved by Orazem, seconded by Gartin, to refer to staff the request from Sarah Cady, on behalf of the College Creek/Old Ames Middle School Neighborhood Association, for a quality traffic study and assessment of traffic-calming strategies in that area.

Vote on Motion: 6-0. Motion declared carried unanimously.

Moved by Orazem, seconded by Nelson, to refer to staff the letter from the Main Street Cultural District to close five parking spaces in front of 304 Main Street on October 9 and 10, 2015.

Vote on Motion: 6-0. Motion declared carried unanimously.

ADJOURNMENT: Moved by Goodman to adjourn the meeting at 7:44 p.m.

Diane R. Voss, City Clerk

Ann H. Campbell, Mayor