

COUNCIL ACTION FORM

SUBJECT: NORTHERN GROWTH ANNEXATION AGREEMENTS

BACKGROUND:

At the time the Rose Prairie development was annexed into the City, an annexation agreement was signed to confirm the parties' respective rights and responsibilities. Over the past year annexation petitions have also received from the owners of Quarry Estates and the Athen property (see attached map). The City Council has indicated that annexation agreements should again be reached with the owners of these properties prior to Council's initiating the formal annexation process. **In addition, Council directed that annexation agreements for the two Hunziker properties on Grant Avenue also should be negotiated before the Athen annexation should proceed. This approach will assure there is a funding strategy in place to finance needed public infrastructure in areas that the Council had previously committed to annex before adding additional annexed areas.**

Staff has worked with the respective developers and land owners to negotiate agreements for the following properties:

- Phyllis Athen Trust; James Athen Trust; and Ricky Madson for two parcels on George Washington Carver,
- Quarry Estates for a single parcel on 190th Street,
- Erben and Margaret Hunziker Apartments on Grant Avenue ("Hunziker South")
- Hunziker Land Development on Grant Avenue ("Hunziker North")

In compliance with previous Council decisions, the **Athen agreement** will commit the land owners to take the following steps:

1. Pay their share of the undersized sanitary sewer connection through Northridge (\$197,600).
2. Agree to seek FS-RM zoning with use a limitation to allow only a senior living facility.
3. Agree to seek FS-RL zoning of the area not designated as FS-RM.
4. Limit development in the environmentally sensitive areas to paths, gazebos, and other low impact uses.
5. Agree that no occupancy permits will be issued for single family homes until a building permit has been issued for the senior living center.

To facilitate the annexation of the other three properties, the three **Grant Avenue agreements** contain the following common elements:

- The City will construct Grant Avenue from the City's existing city limits north to 190th Street within two and one half years of any of the developer's request, with the costs to be special assessed against the properties over ten years. Rose Prairie previously agreed to pay 37% of these costs. Quarry Estates has agreed to pay 17%, Hunziker North will pay 3%, Hunziker South will pay 20%, and – as the owners of the abutting Ada Hayden heritage Park – the City itself will pay 23% of the associated costs to finance this street improvement.
- The City will extend water and sewer trunk mains through this area to serve the proposed developments, and will create utility connection districts to recover the costs of that infrastructure over time as the subdivisions develop. The developers will repay those costs through connection fees payable as each final plat is filed, with the balance of the City's investment to be reimbursed when the next final plat is filed ten years after these agreements are approved.
- Since the traffic generated by these developments will contribute to the future need for intersection improvements at Bloomington and Hyde and at Bloomington and Grand, the developers agree to pay prorated shares of those future costs at the time they seek approval of their first final plats.
- In accordance with recent Council direction, the requirement for sprinklering of residential properties which was included in previous iterations of these draft agreements has now been removed.
- The developers assume responsibility for any needed buy-out of service territory from Xenia Rural Water District.
- Homeowners associations will assume responsibility to maintain the stormwater management areas established under the City's new conservation subdivision ordinance.
- These homeowners associations will agree to prohibit the use of fertilizers containing phosphorous, thus improving the quality of stormwater run-off into Ada Hayden Lake.
- Since specific site plans have not yet been developed or reviewed for each site, it is confirmed that the developers will be responsible to fulfill all other obligations required by the City's subdivision ordinance and other applicable laws and policies.

Most of the provisions noted above were also included in the earlier Rose Prairie agreement.

Beyond those common provisions, unique elements include the following:

Quarry Estates –

- Since this developer is anxious for the City to extend water and sewer infrastructure to the area, it is provided that the developer may initiate severance of the property from the City if the City fails to extend water and sewer mains to the property.

Hunziker South –

- In accordance with recent Council direction, the City will bear the cost to extend Electric distribution infrastructure to the south edge of this property.
- The developer will seek annexation by means of two processes by February 19th. The first process would allow annexation of the entire 69 acres, which can occur if owners of enough other adjacent property also petition for voluntary annexation. In the event that voluntary annexation is not possible due to the 80/20 rule, however, the second process will initiate creation of a “flag lot” by means of subdivision. This alternative would allow for the majority of the Hunziker property to be voluntarily annexed without requiring annexation of abutting properties to the east.

It should be noted by the City Council that, while the creation of a “flag lot” is an innovative method to allow the Hunziker South property to move ahead with annexation, it will pose a challenge when the owner of the property to the west of this site seeks annexation into the City. Unless the “flag lot” is extended further, this flag lot cannot be annexed since that would again create an island for those properties to the east and north of the Hunziker South lot. That situation could only be solved if those other properties are then annexed into the City.

- The developer will not be obligated to make payments for the street assessment until after annexation is completed.
- The developer will not be obligated to make the final payment on the water and sewer connection district fees until ten years after annexation occurs.

Staff and the respective developers continue to work on final contract language as of Friday afternoon, and hope to have the agreements completed and signed on Monday. Upon Council approval of these signed annexation agreements, Council will have secured commitments from all four developers to help finance the street, water and sanitary sewer improvements needed to serve the northern growth area.

ALTERNATIVES:

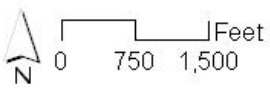
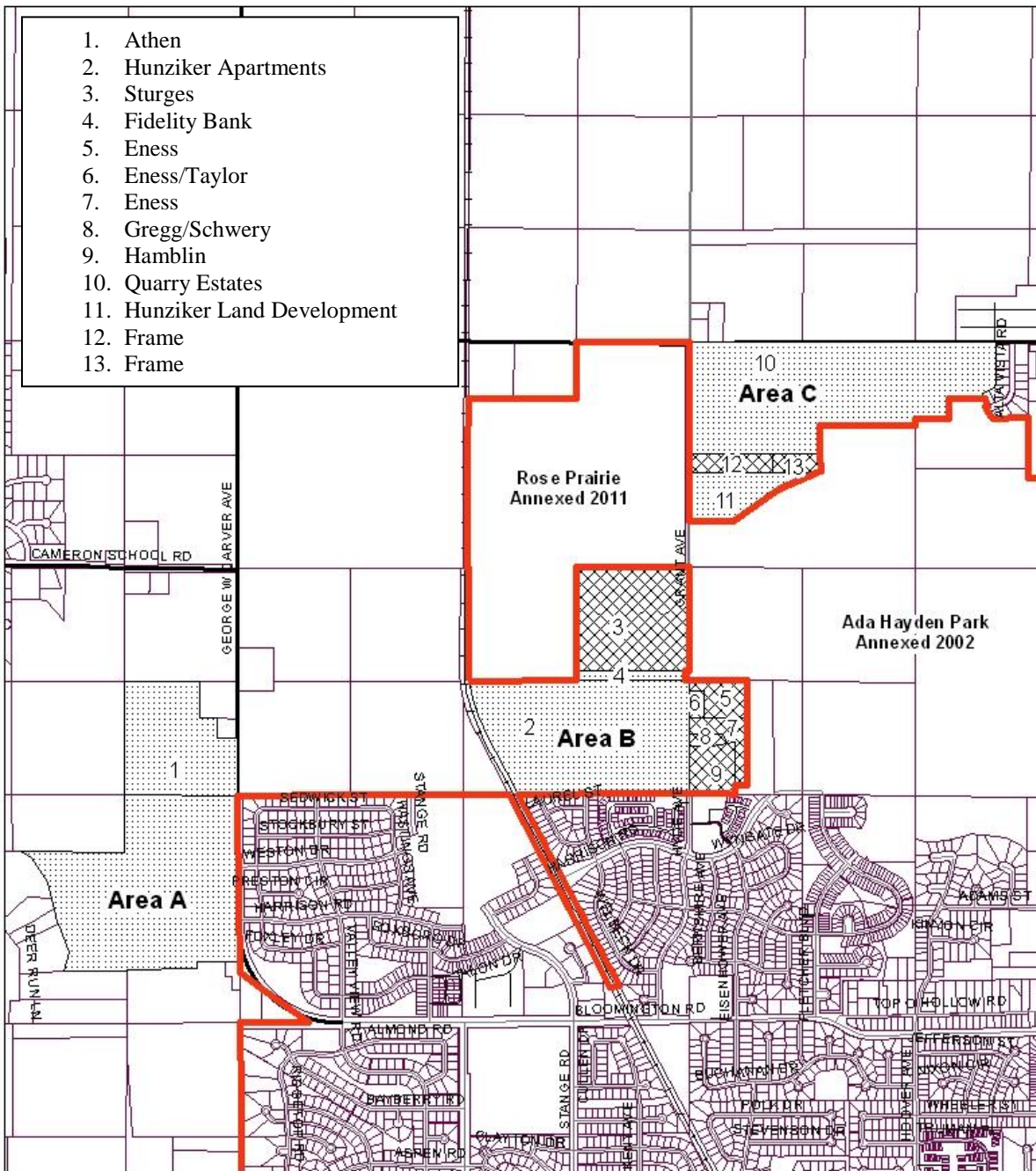
1. Approve the annexation agreements with owners of the Athen, Hunziker South, Quarry Estates and Hunziker North properties.
2. Direct staff to work with the respective developers to modify the agreements.
3. Do not approve the annexation agreements.

MANAGER'S RECOMMENDED ACTION:

The City Council established the northern growth area as an allowable growth area under the City's Land Use Policy Plan. Annexation agreements are being negotiated with owners of the four major developable parcels in this area. Approval of these agreements will allow Council to move forward with annexation, confident that the developers will each bear their respective cost shares for the City's future street, water and sewer infrastructure.

Therefore, it is the recommendation of the City Manager that the Council accept Alternative #1, thereby approving annexation agreements with the owners of the Athen, Quarry Estates, Hunziker South and Hunziker North properties.

As was noted above, given the complexities and interrelatedness of these four agreements, staff and the respective developers have not yet finalized language in these agreements. Staff hopes to have the final contracts completed and distributed for Council's review by Monday evening.



- Legend**
- Ames City Boundary
 - Non-consenting
 - Consenting

