

COUNCIL ACTION FORM

SUBJECT: ANNEXATION REQUESTS – IOWA STATE UNIVERSITY RESEARCH PARK AND REYES FAMILY

BACKGROUND:

The City of Ames has received two annexation petitions for property in south Ames. The two petitions are adjacent to each other and are separated by University Boulevard (S. 530th Avenue). One petition is for an approximately 189 acre southern expansion of the ISU Research Park. The second is for approximately 20 acres of land intended for residential development south of the existing Wessex Apartment complex.

Annexations are governed by the Code of Iowa Section 368.7, and are initiated by the City Council. Annexation requests filed as an application are classified as a voluntary application with consenting property owners. **With a voluntary application, the City may include up to 20 percent of the total annexed land area with additional non-consenting property owners. This is often times done to create more uniform boundaries or to avoid creating islands, since the Code of Iowa does not allow islands to be created by annexations. This rule is often referred to as the 80/20 rule, where you have a minimum of 80 percent consenting land area and a maximum of 20 percent non-consenting land area.**

In addition to statute, the City's intergovernmental agreement implementing the Ames Urban Fringe Plan (AUF) requires the City to consider annexation applications only for those areas designated as Urban Residential or Planned Industrial in the Ames Urban Fringe Plan.

ISU Research Park Annexation

There are three property owners included as applicants for the ISU Research park annexation.

- ISU Achievement Foundation (98.31 acres);
- ISU Research Park (9.90 acres); and
- Erben and Margaret Hunziker Apartments LLC (79.72 acres).

The annexation of these properties requires the additional annexation of several non-consenting properties in order to avoid creating islands. A map of the area including owners is found in Attachment A. These non-consenting properties are: John and Deborah Forth (2.09 acres); Stephen and Letitita Harder (4.42 acres); John Smith Trust (1.46 acres); Arthur and Kathleen Riley (2.57 acres); and Gary and Katherine May (5.00 acres).

The area proposed for the ISU Research Park annexation and its associated non-consenting properties is identified on the Ames Urban Fringe Plan as Planned Industrial. The AUF was amended on November 12, 2013 in anticipation of this

annexation request. If annexed, the Land Use Policy Plan (LUPP) designation will be Planned Industrial.

Reyes Annexation

The Reyes annexation comprises two applicants. These are Jamie and Daphne Reyes (two tracts totaling 19.14 acres); and RDJ Holdings (two tracts totaling 0.821 acres). One non-consenting property will need to be included in order to avoid creating an island. This parcel is owned by Holly Plagmann (0.59 acres). Attachment 2 is a map of this area, including owners.

The area proposed for the Reyes annexation is identified on the Ames Urban Fringe Plan as Urban Residential. This has been its designation since the adoption of the AUF in 2007.

The LUPP identifies this area as within the Southwest II Allowable Growth Area. If annexed, the LUPP designation would be Village/Suburban Residential, allowing for a broad range of residential development types.

Annexation Considerations

An owner may seek annexation for a number of reasons. These could include facilitating the urban development of his or her land, obtaining City services that would otherwise not be available, or selling to a developer who wishes to develop the land.

The City has a policy for annexations to be consistent with the LUPP and the AUF. The growth areas identified in these documents are areas that were based on the ability to provide services, establish compact boundaries, protect ISU agricultural areas, and preserve quality farmland.

Accepting an annexation petition is a discretionary act of the City Council—it is under no obligation to annex. Consideration of the merits of a request to annex and the effect it may have on City services and city land needs will be weighed at the time of the public hearing. Upon annexation, a property automatically assumes the LUPP land use designation consistent with its use designation as described in the AUF. A property is also automatically zoned agriculture upon annexation.

Upon annexation, the City of Ames would provide fire and police protection, replacing the rural fire service (in this case, Kelley Fire Department) and the County sheriff, respectively. Property taxes would change (the rural county levy would be removed and the city levy added) based on the next calendar year assessment. The new levy would be reflected in the tax statement in the fall of the following calendar year.

Other public services will vary in newly annexed areas based on state established district boundaries. For example, electric service territories and school district boundaries are not set by city boundaries and are unaltered by annexation. Traditionally, water service areas have been managed by the City at the time of annexation since they are not set by the state. Prior to annexation, the City requires that a property owner make provisions to allow for City service to a property to ensure there

is adequate water for fire protection. In this area, a portion of the ISU Research Park expansion area is within Xenia Rural Water District territory, and the remainder is within the City's service area. There presently is a mix of existing water customers, with some properties on City water, Xenia water, or private wells. As with the recent North annexations, staff will ensure that agreements are in place for these newly annexed areas to be served by the City of Ames prior to recommending that City Council give final approval to the annexations.

Annexation Process

The first step in this annexation is for the City Council, if interested in their consideration, to accept the applications and refer them to the Planning and Zoning Commission for a recommendation. The City Council will also set a date for a consultation with the Supervisors of Story County and the Trustees of Washington Township. Prior to approval of an annexation, the City Council is also required to hold a public hearing.

In this proposed annexation, however, staff would first ask that the City Council consider combining the two annexation petitions into a single annexation. There are a number of meetings, published notices and mailings which, if combined, would eliminate much duplication. Combining these two petitions is possible since the two territories are adjacent—separated only by University Boulevard (S. 530th Avenue).

Staff would also ask that the City Council give direction to staff to evaluate the potential to maximize the 80/20 rule for including non-consenting property owners consistent with the provisions of Code of Iowa Section 368.7(1)(a) to create more uniform boundaries. As the applications stand now, there is a total of approximately 207 acres of land owned by consenting owners. There is also a need to annex approximately 16 acres of land owned by non-consenting owners to avoid creating islands. This leaves the potential for approximately 28.8 acres of additional area that could be included with the annexation petition under the 80/20 rule.

Any additional non-consenting acreage would be located west of University Boulevard (S. 530th Avenue) abutting the Reyes application, since this area includes additional designated growth area. Notably, there are three parcels abutting the Reyes site totaling 20 acres at 2212 Oakwood Road owned by Floyd and Anna Christofferson. The City Council approved the voluntary annexation of those properties on May 28, 2013. However, the Christoffersons chose to withdraw their request on May 31 as allowed by state code within three days following the public hearing.

By seeking to expand beyond the minimum number of property owners and creating a more uniform boundary, the City can better accommodate future voluntary annexations, in accordance with the Allowable Growth Areas of the LUPP. Attachment C is an excerpt of the Ames Urban Fringe Plan Map that shows Urban Residential areas already identified as appropriate for annexation and development.

If the City Council chose to combine applications and direct staff to gauge other property owners' interest, the City Council should defer sending the annexation

petitions to the Planning and Zoning Commission or to set a consultation date with the Supervisors and Trustees until a final application boundary is set. Instead, staff would first meet with possible affected property owners to gauge their interest in consenting to the annexation. Staff would return to the City Council at some later date (likely in April) to present the final consenting/non-consenting petition for annexation.

ALTERNATIVES:

1. The City Council can combine the two annexation petitions and direct staff to meet with the adjacent property owners in order to determine who might be included in the proposed annexation as additional consenting or non-consenting owners. The final petition would then be presented to the City Council at a later meeting for referral to the Planning and Zoning Commission and to set a date for the consultation with the Story County Supervisors and Washington Township Trustees.
2. The City Council can combine the two annexation petitions and immediately forward them to the Planning and Zoning Commission for a recommendation, and set April 8, 2014 as the date for the consultation with the Story County Supervisors and Washington Township Trustees. This would begin the annexation petition only with those consenting and non-consenting properties already noted above.
3. The City Council can forward the two annexation petitions, separately, to the Planning and Zoning Commission for a recommendation, and set April 8, 2014 as the date for the consultation with the Story County Supervisors and Washington Township Trustees. This would move the annexations forward only with those consenting and non-consenting properties already noted and as two separate annexations.
4. City Council could choose not to refer the annexation requests at this time.

MANAGER'S RECOMMENDED ACTION:

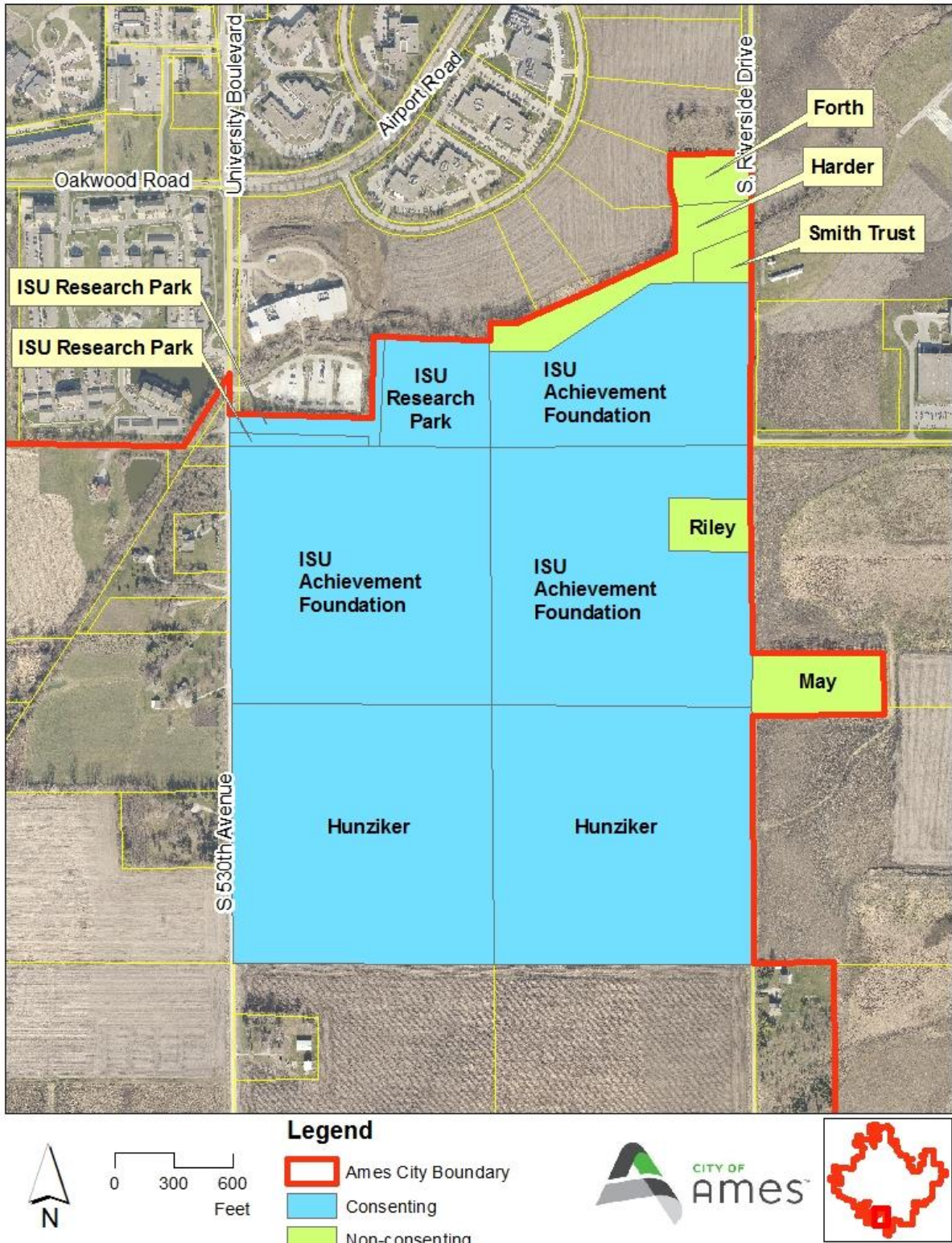
These two annexations total an area of 224.191 acres, of which 16.13 acres (7.3 percent) are, by necessity, non-consenting. However, considering the designation of the general area as a Growth Area in the LUPP, it may be to the City's benefit to consider an expanded annexation boundary. Council can direct staff to seek to include additional properties (either as consenting or as non-consenting) to create more uniform boundaries through the 80/20 rule.

Annexation requests in the past have typically included only those non-consenting properties necessary to avoid creating islands. In some instances, however, the result has been very irregular boundaries that have prevented or delayed later annexations. Irregular boundaries also lead to questions of jurisdiction and provision of services when, for instance, half of a road right-of-way is within the City and half remains within the unincorporated portion of the county.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1, thereby combining the two annexation petitions and directing staff to meet with the adjacent property owners in order to determine who might be included in the proposed annexation as additional consenting or non-consenting owners.

The final petition with property boundaries would then be presented to the City Council at a later meeting for referral to the Planning and Zoning Commission and to set a date for the consultation with the Story County Supervisors and Washington Township Trustees.

ATTACHMENT A: ISU RESEARCH PARK ANNEXATION



ATTACHMENT B: REYES ANNEXATION



ATTACHMENT C: AMES URBAN FRINGE PLAN MAP [EXCERPT]

