

Staff Report

Land Use Policy Plan Amendment Initiation Request for S. 17th Street

April 8, 2014

BACKGROUND

On January 14, 2014, the City Council directed staff to prepare a memo providing information in regard to a request from CPM Development for a Land Use Policy Plan (LUPP) Map Amendment (see attachment A). **The Developer is interested in pursuing a change of approximately 12 acres of land from Highway-Oriented Commercial to High-Density Residential.** The subject area is an undeveloped parcel at the west end of S. 17th Street in the Aspen Business Park. The site is located between Highway 30 and S. 16th Street, in the areas of a possible future extension of Grand Avenue.

A memo from the Planning and Housing Director was sent to the City Council on February 24th providing much of the background information contained in this report. On March 18th, the City Council directed staff to include the background memo as an item on a future City Council agenda **for consideration of initiating the request. If the process moves forward, Council needs to determine if the process would be a major or a minor amendment to the LUPP.**

Commercial and Multi-family Uses

Highway-Oriented Commercial is the City’s primary zoning district for a wide range for commercial uses (e.g. office, retail trade, hotels, and restaurant, recreation, and entertainment). Apartment development is principally allowed within medium and high density residential zones and within the Campustown Service Center zoning as a mixed use.

Development Trends

Staff has assessed the inventory of vacant large parcels (> 0.5 acres) in the City that are zoned for community-based commercial uses and for high-density housing uses. The inventory does not include underutilized properties or vacant land with approved developments that are not yet built or finished, such as Ringgenberg and Copper Beach. Iowa State has recently added apartments with six buildings totaling approximately 720 beds at its Frederiksen Court at Stange Road and 13th Street.

| Zoning District | Vacant Acres |
|----------------------------------|--------------|
| High Density Residential | -0- |
| Medium Density Residential | -0- |
| Suburban-Residential Medium | -0- |
| Highway Oriented Commercial | 237.3 |
| Community Commercial Node | 32.8 |
| Community Commercial Residential | 3.8 |
| Planned Regional Commercial* | 235.7 |

* This is the regional mall site at I-35/E. 13th Street

Over the past four years, Residential Building Permits were issued for the following number of single family and multi-family housing units:

| Year | Single-Family Units | Multi-Family Units |
|------|---------------------|--------------------|
| 2011 | 58 | 95 |
| 2011 | 58 | 356 |
| 2012 | 70 | 279 |
| 2013 | 126 | 286 |

As of February 21, 2014, staff has either reviewed or approved minor site plans for construction of four additional development projects totaling 268 apartment units. This includes 96 apartments at Ringgenberg, 24 apartments along Maricopa, and – along Lincoln Way in Campustown – 52 apartments by Opus and 96 apartments by Gilbane. Iowa State University has also recently committed to constructing an additional 700 person residence hall along Lincoln Way, abutting Buchanan Hall, which will be occupied in 2016.

Staff would also note that the Breckenridge development interest along State Avenue is pursuing development of student oriented housing for 40 acres of land across three sites.

Development Issues

From a cursory review of the subject site and surroundings, staff has identified the following four issues related to development of the area that may influence future decisions about appropriate land use:

- **Lack of direct access to CyRide transit service** at this site, and the fact that the adjacent route along S. 16th Street already exceeds ridership capacity. The existing S. 17th Street was not designed to carry the weight of a bus, making it very unlikely that bus service would be routed through this subject site or the current Aspen Business Park.
- **Accommodation of a potential future Grand Avenue extension** from S. 16th Street across Highway 30 to Airport Road. The current Long Range Transportation Plan includes an illustrative planning project for the extension of Grand Avenue under Highway 30. The City has not committed to the Grand extension south of S. 16th Street at this time; although the project will again be evaluated as part of the current Plan update. However, this site may be encumbered by slope easements restricting development in the southwest corner, and may include a need for developer contributions towards road and access improvements along the Grand extension corridor.
- **General traffic circulation and congestion along S. 16th Street.** Currently there are concerns about traffic congestion at the intersections of S. 16th Street at University Boulevard (ISU institutional road) and at the Duff Avenue intersection. An evaluation of potential traffic impacts would be required of the project. A future Grand Avenue extension may provide relief for some of the potential traffic generated by this project.

- **Supply of well oriented commercial land for office and retail vs. demand for high density residential land.** While there is currently a lack of vacant high density residential land, that need must also be balanced with the community's long term commercial land needs. The City contains two primary office or business parks located in commercial zones – the Aspen Business Park, and the Eastgate at E. 13th and Dayton. When considering the types of uses appropriate for this site and in comparison to other sites, this area is well suited for commercial development due to visibility from major roadways, its central location in the City, the absence of flood hazards, and its location situated away from sensitive residential uses. This particular 12 acres is best suited commercial use is likely office commercial uses, rather than either retail or hotel uses, due to its lack of immediate access to major roadways.
- **Housing availability for non-student development.** The developer has indicated an interest in a student housing design for the site. Staff would note that the demand for housing is wide ranging, and the potential change of use for residential should not preclude consideration of apartment housing designed for a variety of household types, not just for student housing.

Options

The City Council has a small range of choices to respond to the request. **The first decision is whether or not to allow the project application to proceed.** If the Council believes that the site is suitable for commercial uses and does not have interest in allowing for additional residential use in this area, it should decline the request.

If the Council believes there is potential interest in additional high density residential uses for this site, subject to evaluation of commercial land needs, residential land needs, and project site development interests, it could elect to allow the applicant to move forward with this LUPP amendment. **If the request proceeds, a decision on the timing or type of amendment must also be made.**

Amendment Process

A LUPP Amendment request may be categorized as a minor amendment or as a major amendment, or it may be deferred until the next 5-year review of the LUPP. A full description of the Amendment process of [Appendix C](#) can be found at this [link](#).

A **minor amendment** is designed for “single-step” changes or for meeting immediate needs. A referral to initiate the developer's request as a minor amendment would require approximately 20 to 40 hours of staff time for Public Works and Planning. It would be processed as a current planning project similar to a rezoning, and would include evaluation of land use compatibility and infrastructure needs to support a change of use.

A **major amendment** is intended for substantial changes to LUPP goals and policies or for projects inconsistent with the LUPP that require extensive public outreach and workshops. A referral for a major amendment would require considerable time to conduct outreach and workshops about the range of uses for this site, and as well as those likely for the other adjacent vacant Highway Commercial land on S. 16th Street. Staff estimates that 75 to 90 hours of staff time would be needed for a non-controversial proposal.

Deferral to a LUPP update would include general consideration of the site against broad City needs and interests, and may not include detailed site specific evaluation. Consideration of the site with a city-wide update would not have a significant effect on projected hours for the LUPP update. Timing and scope for the next LUPP Update has not been determined by the Council, but will be discussed as part of the LUPP Overview workshop scheduled for May 20th. With this option, Council could wait until after the LUPP Overview to decide if it wanted to proceed with the request independent of a LUPP update. Council could also determine if it wanted to include this as part of the consideration of the overall LUPP update process. Either option may or may not result in a recommended change of use for the site.

ATTACHMENT A



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January 9, 2014

Ames City Council
P.O. Box 811
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To: Members, Ames City Council

Re: Permission to submit application for amendment to the current LUPP

**Request for LUPP Amendment for
Property at 516 S 17th**

BACKGROUND

CPM Development, LLC, a Minnesota based limited liability company ("Buyer"), has entered into a real estate agreement to purchase the 12.59 acre parcel located at 516 S 17th street (The "Property") from Scott and Jane Randall ("Seller"). That purchase offer is contingent upon amending the city of Ames Land Use Policy Plan (LUPP) to allow for a high density student housing development to be constructed. The Buyer has partnered with Roers Investments, LLC; a Minnesota based Limited Liability Corporation to co-develop this project.

Currently the Property is designated as HOC (Highway Oriented Commercial) on the LUPP map. Abutting the property to the East is the Aspen Business Park development, owned and developed by the Seller. When discussing the subject Properties future development plans with Mr. Randall, he advised he has no intentions on developing the land into further commercial business offices as the demand is not present. Abutting the property to the South is US Highway 30. Abutting the property to the West is the Copper Beech student housing development and to the North is the Pheasant Run apartment complexes, both of which are zoned RH (Residential High Density). The buyers seek to continue this RH zoning designation into the subject Property to create a natural buffer and minimize public impact as there is no low density residential, medium density residential, or manufactured home zoned land abutting the Property.

The proposed change to the LUPP map designation is subject to the LUPP amendment process adopted by the City Council. This process describes two types of amendments (major and minor) and includes criteria for the City Council to use to determine which type is requested.

MAJOR OR MINOR AMENDMENT:

To determine whether the proposed change is a major or a minor amendment to the Land Use Policy Plan, the City Council should consider whether the proposal is a change to or is inconsistent with current goals and policies.

Goals pertaining to the proposed high density residential designations primarily focus on achieving targeted densities. The change to facilitate expansion of the existing Residential High density community will be more effective at achieving targeted residential densities than the existing zone (and certainly more than the existing vacant Agricultural land).

Pertinent LUPP Goals stated under *Goals for a New Vision* beginning on pg. 18 of the Plan include:

Goal No. 2, which pertains to ensuring the availability of sufficient suitable land resources to accommodate the range of land uses that are planned to meet growth and to eliminate market constraints. This goal also speaks to achieving greater compatibility among new and existing development. Currently there is no RH zoned land available to purchase in order to develop to meet the increasing need for student housing.

Goal No. 4, which speaks to achieving a more integrated and compact living/activity areas where daily living requirements are provided in readily identifiable and accessible areas. This proposed development seeks to align with this goal by providing many on site amenities including: study lounges, community rooms, outdoor swimming, volleyball courts, basketball courts, fitness center, along with many other amenities.

Goal No. 5, which speaks to the continuance of development in emerging and infill areas where there is existing public infrastructure and where capacity permits. This site would continue the already established high density residential zoned developments with the capability to leverage the pre-existing public infrastructure.

Goal No. 6, which speaks to increasing housing opportunities through various means, Including: increasing overall supply of low and moderate-income housing; increased densities; higher densities in existing areas where residential intensification is designated with the further objective that there shall be use and appearance compatibility among existing and new development; and relieving the current constraints to land supply/availability by such means as releasing lands for development that are currently controlled by institutions.

Addressing the Identified LUPP Workshop Themes –

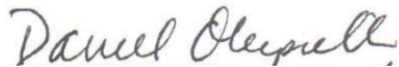
The following 7 themes (A-G) were identified during the June 28, 2012 City of Ames LUPP Workshop. CPM Companies realizes these themes can help the city determine whether the subject properties LUPP amendment should be approved and therefore has taken the liberty of addressing these seven major themes.

- A. Traffic:** The Property is currently only accessible via S 17th street which is a minor arterial street. Under the City's long term transportation plan, Grand Avenue will be extended to SE 16th Street as an arterial or minor arterial street. Currently the Copper Beech development has paved a private street which is an extension of Grand Avenue that extends South of S 16th Street. If the LUPP review is approved, CPM intends to partner with Campus Crest (developer of the "Copper Beech" and "The Grove" developments) to extend S 17th running East to West through the middle of the property to connect up with this Grand Avenue extension South of S 16th Street. CPM also understands the lack of available CyRide service via the #4 Gray Route. CPM intends to partner with Campus Crest to come up with a reasonable plan that assists CyRide in meeting the increasing demands for service this additional housing project would create.
- B. Sanitary Sewer:** No additional sanitary sewer capacity is required. The change from HOC to RH does not impact the current sanitary sewer system. The sanitary sewer system adjacent to the development is a 54-inch diameter trunk sewer for the West side of Ames. Eric Cowles with the City of Ames Public Works believes the Copper Beech development has an 8" connection off of this main line that this proposed development would connect to.
- C. Stormwater:** The Property is 6-8 feet above the 100 year flood elevation of Squaw Creek and the property would not directly discharge to Squaw Creek. The property would be designed to convey and treat all the storm water from the surrounding area via water retention. The property drains generally Northwest to Southeast.
- D. Natural Resources:** The property will contain natural resources that will serve dual purposes. Tree lined streets and property lines will provide a natural buffer to transition into the surrounding properties as well as absorb and filter out storm water. The trees will also filter out sound from the surrounding highway traffic. Retention ponds will be positioned to provide water quality improvement, groundwater recharge, flood protection, as well as an esthetic improvement to the property. As such, the water retention pond will be designed to blend into neighborhood and viewed as an amenity

- E. **Economic Impacts:** Immediate economic benefits of this proposal include long term job creation as well as a drastic increase in tax generation for the city. Currently the property is classed as Agricultural land assessed in 2013 with a land value of \$16,900. This land classification and assessed value generated \$182 in property taxes for the city for the 2012 tax year. Initial calculations based on the size and scale of the project would generate over \$450,000 in annual taxes for the city. Short term benefits include an influx of need for 150 construction workers in the area for over a year, which would benefit construction, hotel, apartment, and retail business owners in the area. Long term job creation includes a projected staff of 12 to maintain operations of the apartment development.
- F. **Alternative Sites:** Currently there is no RH (High Density Residential) land available in the existing city limits for sale.
- G. **Contract Rezone:** This theme specifically benefits the City staff to decide if there will be conditions to address some of the issues raised during the review of the LUPP request via a contract rezoning agreement with the developer.

Through this proposed LUPP amendment, CPM believes it is working within the confines of the goals the LUPP city staff set out to achieve for the city of Ames. CPM views this journey as a partnership between CPM staff and the City of Ames staff to successfully accomplish our goals together. We are truly excited about the potential this project has for the city of Ames and we look forward to working with the city staff every step of the process to help achieve that potential. We greatly appreciate your consideration of this LUPP amendment proposal for the cities review and look forward to hear the proposed next steps the city advises.

Respectfully,



Daniel D. Oberpriller, President CPM Companies.

