

## Staff Report

**Council Referral of Request from Mays and from Others Being Annexed for Reduced Fees for Future Connection to City Water and Sanitary Sewer Services**

June 24, 2014

**BACKGROUND**

The proposed South Annexation is a mix of large tracts of land intended for new development and several properties with existing homes. Some of these homes receive domestic water from private wells, some from the City, and some from Xenia Rural Water District. All have on-site sewage systems, typically a septic field. Some of the properties have City water and sewer lines adjacent to their properties, while other are far removed from existing City utilities.

As land is annexed, the City does not typically require existing homes or developments to connect to City utilities at the time of annexation. Further, the City itself does not automatically extend new infrastructure at the time of annexation. The City does require that developers extend City infrastructure in accordance with subdivision and improvement specifications with new construction. The City does not have an obligation to extend these utilities if it is a voluntary annexation within the “80/20” non-consenting standards.

After annexation, a property owner whose property abuts City sewer and water facilities can seek connection to abutting sewer and water facilities upon paying a connection fee, which is currently set at \$18 per linear foot of frontage for each utility. However, before connecting to City water, an owner whose property is currently in Xenia Rural Water District’s service territory must pay any disconnection fee and buyout costs to Xenia before becoming eligible to connect to City water. Once that is demonstrated to the City’s satisfaction, they, too, can connect to City water at the current formula.

Several non-consenting property owners in the proposed southern annexation area have requested that the City Council offer reduced utility connection fees at the same rate that was offered to property owners in the recent northern annexation along Grant Avenue. This request was initially received from Gary and Kathy May at 2978 S. Riverside Drive and was referred by the City Council at the May 20 meeting (see Attachment A). It has since been echoed by other home owners who are affected by the proposed Southern Annexation.

In brief, these land owners feel that annexation is being brought to them against their wishes. In the case of the Mays, they offered to consent to annexation in return for the reduced fees—as was offered to the Grant Avenue owners. While the Mays and the others would certainly benefit from access to City services, their lots were platted to

county lot standards that are larger than what would have been allowed under City standards. Therefore, the costs of connecting to city sewer and water exceed those of in-town residents, even though they are obtaining only a single utility connection.

To staff's knowledge, the northern annexation was the first time the City created an incentive for property owners to voluntarily join an annexation. In the northern annexation approved in December, 2013, the connection fee to existing homes was capped at the cost of a typical city lot width of 80 feet. At the current \$18 per linear foot rate, connections would thus be available for a connection fee of \$1,440 for sanitary sewer and \$1,440 for City water. This offer was made available to any property owners who voluntarily applied for annexation and agreed to provide any needed road rights-of-way or utility easements. In addition, if any property owner who took advantage of the reduced fee were to subsequently seek a subdivision for further development, they would then pay the difference between the \$1,440 capped fees and the per acre price established in the water and sewer connection fee districts.

**STAFF COMMENTS:**

If the City Council wishes to offer a reduced connection fee to existing home owners whose properties are being annexed, staff has identified two options.

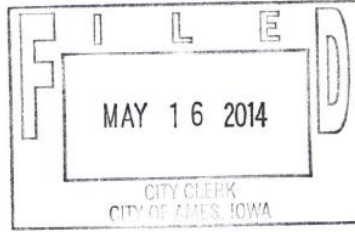
Option 1 is to grant all non-consenting property owners the right to a single domestic water connection and a single sanitary sewer connection with an exception to the lot width formula, and to calculate the appropriate fee on a typical 80 foot city lot width. This could be done with or without a sunset provision. This action could be taken without securing any concessions, such as obtaining easements or needed rights-of-way from the owners. Under this option, staff would return to the City Council with a single resolution identifying which property owners would benefit.

Option 2 is to grant single connections to City water and sewer as described above, but to also require the property owner to provide any necessary road rights-of-way or utility easements that may be necessary as utilities and paving are installed in Cedar Lane, Oakwood Road, University Boulevard, and S. Riverside Drive. In this case, the City Council can direct staff to prepare agreements with each owner seeking the reduced fee in return for providing any necessary easements or rights-of-way. At this point in the planning and design, it is not known what, if any, rights-of-way or easements may be needed. These agreements would be brought back individually as each owner agreed to the terms.

**ATTACHMENT A: MAY LETTER**

*Pkts. 5-16-14*

Property annexation South Ames  
Kathy May  
to:  
jripperger@city.ames.ia.us  
05/16/2014 11:18 AM  
Cc:  
Gary May  
Please respond to Kathy May  
Show Details



Dear Ames Mayor and City Council,

We are Gary and Kathy May. Our home is located at the property on 2978 South Riverside Drive. We have been notified by the City of Ames that our property is being annexed in the next few months due to the annexation of the ISU Research Park.

We did not volunteer for this action, nor did we consent. We purchased this property to enjoy a rural lifestyle and see no tangible benefit to being annexed. However, we would be willing to consent to the annexation if the City of Ames provide to us the option of connecting our property to sewer and/or water services at some point in the future, at our discretion, and at the rate charged for in-town properties. We understand you have offered this same accommodation to property owners along Grant Avenue in North Ames.

Thank-you for your consideration,  
Gary and Kathy May  
2978 S Riverside Dr  
Ames, IA 50010  
[garykathymay@yahoo.com](mailto:garykathymay@yahoo.com)  
515-231-7488  
515-231-8435