ITEM # <u>33</u> DATE: 12-16-14

COUNCIL ACTION FORM

SUBJECT: REQUEST FOR DESIGNATION OF URBAN REVITALIZATION AREA FOR PROPERTY LOCATED AT 517 LINCOLN WAY (SQUEAKY CLEAN LAUNDROMAT)

BACKGROUND:

The property owner of 517 Lincoln Way has submitted a request for creating an Urban Revitalization Area in order to be eligible for tax abatement (Attachment A). The request is based upon the City Council's Highway Oriented Commercial (HOC) Criteria Matrix Policy (Attachment B). The City Council created this policy to identify the minimum requirements for when Council may choose to create an Urban Revitalization Area for removal of blight or for economic development.

The action to be taken by the City Council at this time is to determine if the request meets the conditions for eligibility under the Urban Revitalization Highway Oriented Commercial (HOC) Criteria and to initiate the proceedings for designating an Urban Revitalization Area. If the City Council determines that it meets the criteria, it would approve the application, direct staff to prepare an Urban Revitalization Plan, specify the standards for the plan, and set a date for the public hearing on an ordinance creating an Urban Revitalization Area at the proposed location.

To be eligible under the Highway Oriented Commercial Criteria, the property must be zoned Highway Oriented Commercial and must **meet** <u>one</u> of the following criteria: be vacant for seven years, contain a public nuisance, be a brownfield site, or be encumbered by flood plain and a nearby City well (See Attachment B). The subject site is currently zoned HOC and the applicant has indicated that the site has been vacant for more than seven years and was previously contaminated and therefore is a brownfield site. The applicant has an approved Minor Site Development Plan and construction is underway for a 4,725 square foot building and site improvements for a self-service laundry and another retail use (Attachments C,D,E,F).

City records confirm that the previous building was demolished by 1995 and therefore meets Highway Oriented Commercial Criteria #1 for a vacant site. Staff has also confirmed that the Iowa Department of Natural Resources previously listed the site as contaminated by leaky gasoline storage tanks and that the contamination was remediated and monitoring wells confirmed by 2007 that no further remediation was necessary. Redevelopment of the site was complicated by environmental contaminations for many years, and therefore meets Highway Oriented Commercial Criteria # 3 as a brownfield site.

If the City Council chooses to proceed, the following steps are needed to establish the Urban Revitalization Area and for the owner to receive the partial property tax

abatement:

- City Council adoption of a resolution finding that "economic development" of the area is necessary.
- City preparation of a "Plan," specify standards, include approved site.
- City Council setting date of public hearing, after mailed notice to owners within the area, and adoption of the Plan.
- City Council enactment of an ordinance designating the area.
- Owner construction of a project that conforms to the site plan and any other requirements that the approved Urban Revitalization Plan establishes for this Urban Revitalization Area.
- Owner application for the Urban Revitalization Program tax abatement after the improvements have been made in a project consistent with the Plan.
- Determination of conformance by the City and forward determination to assessor.
- Assessor calculation of the value of the actual tax abatement to establish taxable value.

ALTERNATIVES:

- 1. The City Council can determine that the Request for Designation of Urban Revitalization Area for 517 Lincoln Way meets the Council's criteria for eligibility and direct staff to prepare the Urban Revitalization Plan and adopt a resolution setting the date of January 27, 2015 for a public hearing for the Plan and the Area.
- 2. The City Council can decline to initiate an Urban Revitalization Area for 517 Lincoln Way.
- 3. The City Council can refer this request back to staff for additional information.

MANAGER'S RECOMMENDED ACTION:

City staff has found that the proposed for area is appropriate for economic development, based upon the City's adopted LUPP and commercial zoning for the site. The site has been vacant for more than seven years, and redevelopment has been complicated by environmental contamination. Staff has concluded that the eligibility requirements for Urban Revitalization under the Highway Oriented Commercial Criteria have been met. If Council has any additional interests beyond the HOC Criteria Policy for eligibility, it would need to be identified prior to drafting of an urban revitalization plan.

With the proposed schedule for establishing the urban revitalization area, the property owner would be able to apply for tax abatement starting with the 2016 taxes.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative #1. This action will approve the proposed project at 517 Lincoln Way as meeting the Council's criteria for eligibility for Designation of an Urban Revitalization Area, direct staff to prepare an Urban Revitalization Plan, and set a date for a public hearing for January 27, 2015.

Attachment A – Location Map



URBAN REVITALIZATION HIGHWAY ORIENTED COMMERCIAL (HOC) REDEVELOPMENT CRITERIA

Properties eligible for tax abatement must be within the Highway-Oriented Commercial zoning district, and also fit within <u>one</u> or more criteria.

- 1. Properties from which the principal building has been removed and the property has been vacant for at least seven years.
- Properties with a principal building that has been determined by the Building Official as meeting the definition of "Public Nuisance" in the Ames *Municipal Code*, Chapter 5, "Building, Electrical, Mechanical and Plumbing Code" (Currently Section 5.401(7)).
- 3. Development or redevelopment of Brown Fields. Brown Fields include abandoned or underused industrial and commercial facilities or sites available for re-use or redevelopment. Expansion or redevelopment of such a facility or site is complicated by environmental contaminations.
- 4. Properties with at least 20% of the property area being within 1,000 feet of a City of Ames water well and within the Floodway-Fringe Overlay zoning district. The Developer must demonstrate that the proposed project cannot be configured or designed in a manner to avoid significant extra impact to the project because of its location near a City well head.

Non-qualifying Uses. Notwithstanding compliance under the above categories, tax abatement shall not be granted for properties developed for or otherwise used for the following uses:

- 1. Mini-storage warehouse facilities or other industrial uses.
- 2. Transportation, communications, and utility uses.
- 3. Institutional uses.
- 4. Automotive, boat, and/or RV sales.
- 5. Adult entertainment businesses.
- 6. Detention facilities.
- 7. Agricultural or industrial equipment sales.

Attachment C – Application

DF	CEIVED	URA-14	-0/ Effective Dat	e: March 25, 2013
nL	Decues		1000-00 00 <u>-</u> 0	
NOV 1 2 2014 Request for Designation of CITY OF AMES, IOWA Urban Revitalization Area for DEPT. OF PLANNING & HOUSING				
Application Form				
	(This form must be filled out completely before your application will be accepted.)			
1.	Property Address: 517 Lincohn Way, Ames			
2.	Property Identification Number (Geocode): 09-02-357-040			
3	Legal Description (attach, if lengthy): Lot 3and the West 40 Feet of Lot Z, all			
0.	in Black 48 in the Facuth Addition to Ames, Iowa.			
4.	Street Address of Property to be l	A	evitalization Area: _ 50010	
2	511 Lincolniva	1	9440	
5.	Property Owner:	J.C		
	Business:Queak	y Clean. Inc		
	Address: Addr.	Nevada	TA.	50201
	(Street)	(City)	(State)	(Zip)
	Telephone: <u>515-291-5299</u> (Home)	515-231-344 (Business)	(Fax)	
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6.	0	<u> </u>		
	Business: Juecaky	Clean Inc	1	torial
	Address: 110 LACE	(City)	(State)	(Zip)
	(Street)	(City)	(01010)	(ביף)
	Telephone: 55-211-5299 (Home)	(Business)	(Fax)	
	E-mail address: Shaneheiv	12 Chotmail	.com	
I (We) certify that I (we) have submitted <u>all</u> the required information to apply for the Request for Designation of Urban Revitalization Area and that the information are a submitted with the information of Urban Revitalization.				or approval of ation is factual.
	Signed by:	othe	Date: 11-10-	-1-1
	Property Owner(s)	6 0	1.	
Christine Heintz, Speceakylloon.				
	Print Name			time 1
(Note: No other signature may be substituted for the Property Owner's Signature.)				

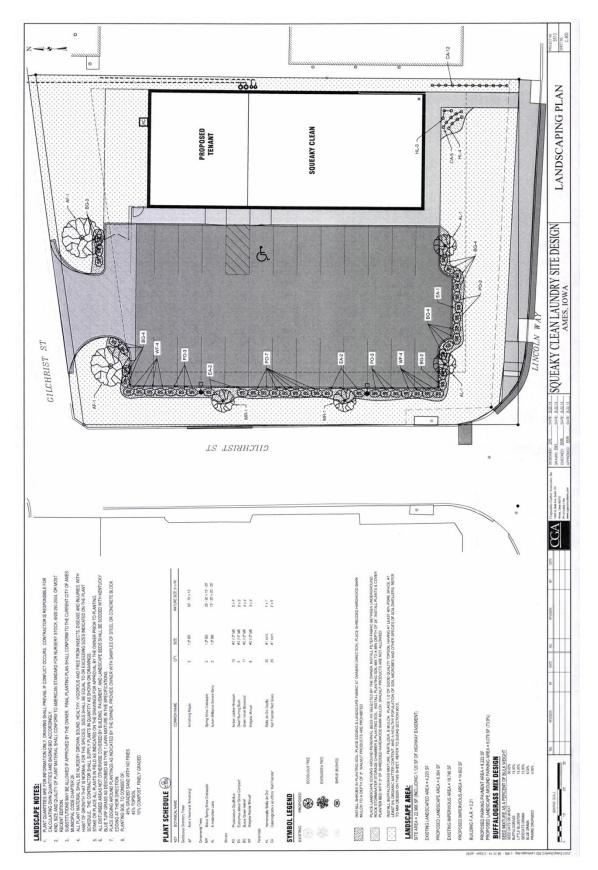
Effective Date: March 25, 2013

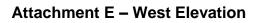
Request for Designation of Urban Revitalization Area for Commercial Development

Criteria for Eligibility

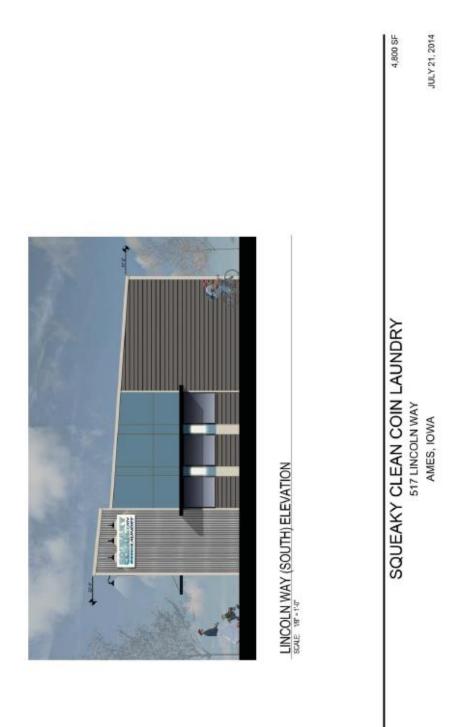
Please describe how the property meets the required criteria. Please attach additional sheets if necessary. This property meets the following eligibility criteria. New commercial benilding is under construction on property. This will doubte the property value meeting the antura that improvements will increase property value by at least 3%. 2.) Roperty is located within the Highway-Oriented Commercial Zorving district. 3.) Roperty has been vaccent of any commercial beniding since appreximately 1987 meeting the vacancy criteria. 4.) Apperty was previously contaminated & reduvelopment has been complicated due to this. DNR deemed site as needing no further action in 2007. Property meets criteria as being a brien Full reduvelopment.

Attachment D – Site Plan









Attachment F – South Elevation

HAILA ARCHITICTURE STRUCTURE PLANNING III