

COUNCIL ACTION FORM

SUBJECT: URBAN REVITALIZATION AREA AND PLAN FOR 517 LINCOLN WAY (SQUEAKY CLEAN LAUNDROMAT)

BACKGROUND:

On December 16, 2014, the City Council determined that the Squeaky Clean Laundromat site at 517 Lincoln Way is eligible for designation as an Urban Revitalization Area (URA) under Section 404.1 of the *Code of Iowa*, in that this is “*An area which is appropriate as an economic development area...*” The City Council also determined that the site met the Council’s Urban Revitalization Highway Oriented Commercial Redevelopment Criteria, since the property has been vacant for more than seven years and redevelopment of the site was complicated by environmental contaminations.

The City Council directed staff to prepare an Urban Revitalization Plan for the Squeaky Clean Laundromat site and to set a date of public hearing for January 27 to consider the URA Plan and an ordinance to designate the site as an Urban Revitalization Area.

The attached Urban Revitalization Plan identifies the project area, duration of the plan, tax abatement schedule, applicable uses, and assessed valuation. It establishes the Council’s Urban Revitalization Highway Oriented Commercial Redevelopment Criteria as a Plan requirement for this specific Urban Revitalization Area. It does not establish specific site improvement or architectural plans.

If the Urban Revitalization Plan is approved in 2015, the property owner may request a three-, five- or ten-year abatement schedule starting with the 2016 taxes. The applicant would submit an application for abatement by February 1, 2016, and it would be reviewed when Council approves projects in all of the City’s various Urban Revitalization Areas as qualifying for tax abatement.

ALTERNATIVES:

1. Council can adopt by resolution the Urban Revitalization Plan for 517 Lincoln Way and then approve on first reading the attached ordinance designating this Urban Revitalization Area.
2. Council can choose to not approve the Urban Revitalization Plan and attached ordinance.
3. City Council can refer this issue to staff or the applicant for further information.

MANAGER'S RECOMMENDATION:

The applicant has requested tax abatement through the creation of an Urban Revitalization Area for the site at 517 Lincoln Way, which has been vacant for many years due to environmental contamination. The City Council previously determined that the proposed URA meets the Council's established criteria. The proposed URA Plan incorporates Council's policy to prohibit tax abatement for certain commercial uses. Staff has previously approved a Minor Site Development Plan for commercial development of the property and the site has nearly completed construction of the project.

Therefore, it is the recommendation of the City Manager that the City Council accept Alternative #1, thereby adopting the Urban Revitalization Plan for 517 Lincoln Way and approving the ordinance designating this Urban Revitalization Area.

URBAN REVITALIZATION PLAN

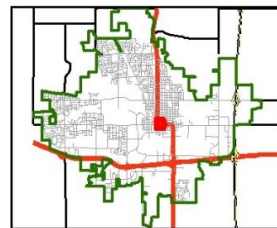
517 Lincoln Way Urban Revitalization Area

1. Property Address: 517 Lincoln Way (see Attachment A).
2. Legal Description: Lot 3 and the west 40 feet of Lot 2 all in Block 48 in the Fourth Addition to Ames, Iowa.
3. Assessed Valuation: Land: \$395,900. Buildings: (none).
4. Owners: Name & Address: Squeaky Clean Inc., 116 K Avenue, Nevada, Iowa 50201.
5. Zoning District and Classification: Highway Oriented Commercial.
6. City Services: No enhancements are planned.
7. Applicability of Revitalization: Revitalization shall be applicable only to that subset of eligible property within the above legal description that qualifies under the Urban Revitalization Highway Oriented Commercial Redevelopment Criteria (see Attachment B).
8. Duration: There is no end date.
9. Relocation: The plan does not require the displacement of any persons, and there will be no relocation benefits provided.
10. Percent Increase in Value Required: The value-added requirement is a five (5) percent increase in actual value.
11. Federal, State, or Private Grant/Loan Programs for Residential Improvements: Not a residential project.
12. Existing Land Use: Vacant.
13. Geocode: 09-02-357-040.
14. Tax Exemption Schedule: The exemption period is for either three (3) years, five (5) years, or ten (10) years. All qualified real estate is eligible for tax exemption of the value added by the improvements according to the terms of the exemption selected. The overall improvement value to the property will need to be at least 105% of the current assessed value to qualify for the program.

Attachment A



LOCATION MAP
517 Lincoln Way



Attachment B

**URBAN REVITALIZATION
HIGHWAY ORIENTED COMMERCIAL (HOC)
REDEVELOPMENT CRITERIA**

Properties eligible for tax abatement must be within the Highway-Oriented Commercial zoning district.

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.

ORDINANCE NO. _____

**AN ORDINANCE TO DESIGNATE THE URBAN
REVITALIZATION PLAN FOR 517 LINCOLN WAY.**

BE IT ORDAINED by the City Council for the City of Ames, Iowa, that:

Section One. The land described as:

Lot 3 and the west 40 feet of Lot 2, all in Block 48 in the Fourth Addition to Ames, Iowa, containing 0.5228 acres

is hereby designated, pursuant to Chapter 404, Code of Iowa, as the 517 Lincoln Way Urban Revitalization Area.

Section Two. This ordinance shall be in full force and effect from and after its passage and publication as required by law.

Passed this 27th day of January, 2015

Diane R. Voss, City Clerk

Ann H. Campbell, Mayor